A brief history of the Institute for Research on Poverty

by Elizabeth Evanson

**Genesis**

Certainly one of the justifications for a large-scale grant to a single institution as opposed to a whole set of small project grants scattered all over the place, is that you reach a critical mass of research interest when you get a group of people together who have similar interests, but different backgrounds.

Robert Lampman, 1966

The Institute was created in March 1966, when the University of Wisconsin–Madison reached agreement with the U.S. Office of Economic Opportunity to establish a national center for study of “the nature, causes, and cures of poverty.” A national center, located in Madison, was a logical response to the issues and the times.

When the federal government undertook new efforts to aid the poor in the 1960s, it also determined that social programs would be studied and evaluated to determine their effectiveness. In 1965 a presidential executive order directed all federal agencies to incorporate measures of cost effectiveness and program evaluation into their decisions. The guiding concept was that the policies and programs then being developed should be shaped by sound logic, firm data, and systematic thinking rather than by good intentions alone.

Charged with implementing the War on Poverty that President Johnson had declared in 1964, the Office of Economic Opportunity (OEO) sought to establish a center where experts would perform basic research, provide counsel, and serve as a ready information source. To distance it from the arena of day-to-day issues and problem-solving, the center should be located outside of Washington. The University of Wisconsin was a likely site in view of its long tradition of applied social policy research, and because several of its faculty members had served on the staff of the president’s Council of Economic Advisers when the antipoverty strategy was being formulated. Prominent among them was Robert Lampman, a member of the economics department, who became interim director of the new institute and has remained a guiding spirit.

At first cool to the idea of becoming too closely involved with immediate government activities at the expense of more academic pursuits, the university accepted OEO’s offer on condition that the Institute exercise full authority in allocating grant funds to researchers, selecting research topics, and publishing the results. The agreement signed on March 23 describes the essential features that characterize the Institute today, even though the OEO has not existed for many years and the optimistic belief that poverty could be eliminated within one generation has faded.

The agreement specified that the Institute would embrace a number of the social science disciplines; that it would encourage new as well as established scholars to inquire into the origins and remedies of poverty; that it would promote sharing of knowledge among researchers and policy analysts by means of conferences held at periodic intervals (see the list of conferences, page 29); and that it would communicate its findings through a publications program (the list of books that the Institute has sponsored appears on page 33).

Institute staff, then as now, consisted of a director, advised by an internal committee of faculty members and a national advisory committee of members outside the university (see page 24 for the names of those who have served on the National Advisory Committee); researchers, who would hold university appointments and divide their time between teaching and the study of poverty-related topics of their own choosing, subject to approval by the director and the advisory committees; and a support staff of research assistants, editors, administrative and clerical personnel. (The support staff was soon to be joined by a new group of specialists—computer programmers.) Harold Watts, an economics professor at Wisconsin who had trained at Yale University and had spent a year on leave at OEO’s Division of Research and Plans, became the first director in June 1966.

**Formative years: 1966–1971**

Research at the Institute has illuminated the difference to the poverty count of different definitions of poverty, factors behind black and white income differentials, the impact of inflation on the poor, the relationship of migration to poverty, the role of health and education, and many other facets of the poverty problem. . . . The very strength of the Institute in economics has almost defined the mainline of research on the economics of poverty.

National Academy of Sciences, 1971*
inequality? What are the particular causes of poverty—discrimination, lack of education, poor workings of the market system, cultural factors?

By the end of 1969 the Institute's research staff numbered thirty: ten were economists and nine were sociologists. Other fields represented by research affiliates in the 1960s included political science, social work, law, education, rural sociology, agricultural economics, home economics, psychology, anthropology, and geography.

In addition to individual projects that covered the topics listed in the quotation above, a large portion of Institute energies during the Watts directorship (1966–71) went into a major, pioneering group effort: the design, conduct, and analysis of the New Jersey Income Maintenance Experiment, soon followed by the Rural Income Maintenance Experiment. These experiments studied the differential behavioral responses to varying minimum income guarantees between a randomly selected group of individuals who received benefits and a “control” group of randomly selected persons who did not. The experiments were important to the evolution of the Institute as well as to poverty research in general. Lampman commented in 1981 that it would be hard to imagine what the Institute would have been like without the New Jersey experiment, an outstanding example of interdisciplinary research in close cooperation with government planners.

In part because of its involvement with the complex design of this large-scale experimental undertaking, by 1971 the Institute had become a focal point of long-run research. It had a seasoned staff, a list of publications that included one hundred Discussion Papers, eighty Reprints, and six books, and was building a computing staff familiar with the new cross-sectional data sets that provided information hitherto lacking on the characteristics of low-income households—the Surveys of Economic Opportunity (1966–67) and the annual Current Population Surveys, conducted by the Census Bureau. On the horizon lay the promise of longitudinal data sets, permitting the study of individual behavior over time.

Because the Institute had been given a specific charge, to investigate the nature, causes, and cures of poverty, it evolved in a way that made it more than either a client of government or a program-oriented collection of researchers whose primary objective was, for example, to study antipoverty programs. Its dual purpose, to conduct basic research and to analyze government policy, was inevitably a source of tension, however: should the criterion for selection of a research topic be its advancement of academic knowledge—its contribution to a particular discipline—or its advancement of general knowledge about government social intervention? The two do not always or necessarily coincide. This tension played a continuous part in the history of the Institute as it matured.

Cumulative research, 1971–1981

The existence at the Institute of more than 50 social scientists with a large overlap of basic research interests is of itself a powerful force, enabling the kind of close personal contact among researchers that mutually educates and stimulates them.

National Academy of Sciences, 1979

In 1971 Robert Haveman became director of the Institute. An economist who had been for several years on the faculty at Grinnell College, Haveman had also served as a staff member of the Joint Economic Committee of the Congress in 1968–69.

Although the IRP research program continued to build at an impressive rate, the 1970s were years when federal research budgets were tightened and enthusiasm faded for government action on economic and social fronts. The changing political climate in Washington momentarily clouded the Institute's future in 1973, when dismantlement of the Office of Economic Opportunity signaled the end of federal commitment to an institutional embodiment of the War on Poverty. The government nonetheless recognized the continuing need for policy analysis and evaluation research, and OEO's research functions were transferred to the Office of the Assistant Secretary for Planning and Evaluation (ASPE) within the Department of Health, Education, and Welfare, reorganized in 1979 as the Department of Health and Human Services. ASPE supported Institute work throughout the Nixon, Ford, and Carter administrations, and the Institute increasingly supplemented that support with grants from other private and public agencies, notably the state of Wisconsin, the National Science Foundation, and the Department of Labor.

To the regular Institute staff of faculty members with departmental appointments was added, through a postdoctoral program that began in 1973, a cadre of researchers with full-time, two-year Institute appointments. The staff was further enriched by visiting scholars, who began to arrive from other parts of the United States and from other countries as well. It is probably fair to say that the graduate students, postdoctoral fellows, and visiting researchers who have spent time at the Institute over the past twenty years and have since gone on to pursue their studies elsewhere or to work in government currently constitute, together with the present IRP staff, the core of the poverty policy research community.
Irwin Garfinkel served as director from 1975 to 1980. A faculty member at Wisconsin's School of Social Work, he had been encouraged by Harold Watts to study the labor supply effects of the income maintenance experiments, which determined the direction of his research interests.

The studies that were undertaken in these years advanced the social science disciplines while evaluating public programs. Measurement of economic status and social mobility by sociologists and economists constituted a major body of IRP work. Sociological studies examined the relative significance of ability, family influences, and schooling on adult achievement, while economists examined financial aspects of aids to education for poor students. The accumulation of data and development of improved econometric techniques expanded the Institute's original focus beyond absolute income poverty to include relative income measures, assessment of pretransfer poverty, measures of poverty that accounted for in-kind benefits, development of the concept of "earnings capacity," analysis of equivalence scales to account for the different sizes and circumstances of families, and work on income inequality. Historical perspectives were gained from a project measuring inequality in the United States from colonial times, and from a study that analyzed changes in the income distribution in the years following World War II.

Econometric studies of the income maintenance experiments continued, concentrating on the issue of whether providing an income guarantee lowers work effort and on the effects of experimental program administration. In the late 1970s, IRP affiliates became involved in the design and evaluation of the National Supported Work Demonstration. Other studies focused on the models of the inheritance of IQ and on the particular problem of selectivity bias that plagued the social experiments. The development of sizable, nationally weighted data bases and the advancement of computer capabilities permitted, by the end of the 1980s, comparability studies of social change over a forty-year span. And as these data bases grew, so did the Institute's computing staff, which in 1976 was grouped into a unit headed by a director of computing services. In 1976 the Institute began publication of a newsletter, Focus, whose first issue stated that its purpose was "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." Focus and the other IRP publications reflect a theme that has pervaded its history—communication: among the representatives of the various disciplines that produce Institute studies, between the Institute and its sponsoring institutions, and between members of the academic community, the policymaking community, and the public at large.

In 1975 the Institute began collaborative research with the state of Wisconsin. The first project brought IRP staff...
together with state personnel to study the causes of error in the administration of Aid to Families with Dependent Children. It was followed by a joint study, beginning in 1977, to assess the role and scope of emergency assistance programs for the poor. In 1978 Robert Haveman was appointed chairman of the state’s Comprehensive Welfare Reform Study, which spawned a number of joint ventures in the ensuing years. Among them was a comprehensive survey of Wisconsin’s low-income population, the Basic Needs Study (1978–82), which determined how much income is required for different-sized households in different locales to make ends meet; and the Child Support Reform project, which in 1978 began to explore possibilities for improving the system and led to the major demonstration now under way, described below. In 1979 the state and the Institute initiated a study of tax credits to employers who hire disadvantaged workers (targeted jobs tax credits).

In 1980 Eugene Smolensky, a professor of economics at Wisconsin, long an IRP research affiliate, and an expert in the measurement of inequality and economic well-being, became director. The beginning of his leadership, like that of Haveman ten years before, was marked by a change in political climate in Washington that generated uncertainty about federal support for the kind of studies that the Institute had conducted. In the period that began in 1981 the Institute diversified its sponsorship as well as its research interests.

**Continuity and change, 1981–1986**

Members of the Institute feel that because their organization has a history of pioneering work of scholarly merit and practical value, and because it is housed in a university which provides a rich mix of scholars—in economics, sociology, social work, demography, political science, education, psychology, and law—committed to the study of poverty issues, IRP should continue to seek to understand and solve the many problems related to poverty—problems that, however unfashionable, do not go away.

Focus, 1982

In 1980 the issue of poverty in America seemed on the verge of eclipse. An IRP document referring to the situation in the late 1970s stated that “income poverty, as officially defined, has decreased dramatically since 1965.” And new methods developed at the Institute for valuing in-kind transfers indicated that poverty under this measure had experienced even stronger decline over the past fifteen years. Some observers argued that the variety of cash and in-kind benefits available to those in want had so diminished the incidence of poverty that the dominant issues had become improvement of program efficiency and elimination of dependency among the long-term poor.

The situation soon began to change, however, and rapidly. In the face of inflation, two recessions, and retrenchment in social spending, the proportion of the population in poverty rose sharply after 1979. Growing concern accompanied steady increases in the numbers of the poor. In 1984 debate broke out anew over the question of whether welfare programs were the answer to, or the cause of, the persistence of poverty, or whether other factors should be assigned a prominent role. The topics that Institute researchers had probed for almost twenty years reappeared as priority items on the social policy agenda.

In 1981 the federal government relinquished the practice of dispensing core funding for the operation of a national center for poverty research, but Institute work continued with support from private, other public, and campus sources. In 1983 Congress, in part as a result of concern about increased poverty, partially restored funding by the Department of Health and Human Services for new IRP research projects. That support was renewed by congressional action in 1985. Since 1981 the Institute has increasingly supplemented DHHS funding with backing from other public and private agencies.

The cumulative program of the Institute moved forward in the 1980s as it had in the 1970s, following lines of research laid out earlier. Meanwhile new research questions emerged, and IRP affiliates turned their attention to previously unstudied areas, sketched below. The theme of these years can be characterized as continuity accompanied by change.

Innovation occurred at the staff level as well. Having undergone reductions in personnel after the federal core grant lapsed and the postdoctoral program ended, IRP began increasingly to draw on researchers at other institutions around the country. The Small Grants program awarded funds on a competitive basis for research on poverty-related topics conducted by social scientists not in residence at Madison. Twenty-one such projects were completed or under way in 1986. In cooperation with DHHS, the Institute in 1984 sponsored a conference to assess past and future anti-poverty policy. The Institute also invited more non-Wisconsin researchers, many of them former pre- or postdoctoral associates, to collaborate in work on its federally sponsored projects.

The Institute was directed from mid-1983 on by Sheldon Danziger, a professor of social work, who had come to the Institute in 1974 as a postdoctoral associate after graduate study in economics at MIT, where he had become interested in the work of Robert Lampman and Eugene Smolensky on the nature of income poverty and inequality.

The tradition of measuring the level and trend of poverty continued with projects that utilized detailed information from the 1940 and 1950 censuses, making it possible to analyze changes in relative economic status among various demographic groups from 1940 to 1980. The long experience of IRP in measurement studies joined its tradition of social program analysis in a project, sponsored by the Sloan Foundation, that analyzed the forces behind the trend in poverty, focusing on the separate roles of declining economic growth, increasing earnings inequality, and cutbacks in public transfers.
The Institute's tradition of program analysis carried over to a large-scale project that monitored the changes in well-being of female-headed households as a result of 1981 rule changes in the Aid to Families with Dependent Children program.30

Other work moved forward in the areas delineated by IRP staff in earlier years: analysis of effects of the labor market structure on low-wage workers, to inform public policy toward disadvantaged workers;31 examination of the relationship between disability and poverty;32 the role of demographic change in increasing the risk of poverty among certain demographic groups, in particular the elderly and single mothers with children.33 The discrimination and segregation studies of the 1970s were complemented in the 1980s by a major analysis of economic discrimination in American society, tracing its effects on racial, ethnic, and gender groups over time.34

Whereas in previous years particular aspects of the income transfer system in the United States had been analyzed at the Institute, Robert Lampman in a 1984 monograph (see list of books) offered the first comprehensive description of the costs and benefits that might be judged to result from the growth in all U.S. social welfare spending, public and private, since 1950.

The Institute's experience in managing and analyzing large bodies of data led to a novel undertaking in 1984–85: the establishment at IRP of a national data center to facilitate access to the new Survey of Income and Program Participation. Supported by the National Science Foundation, the center serves as a vehicle for communication between policy analysts and researchers and also permits continuing improvement in the quality of data through feedback to the Census Bureau from users.

The "Wisconsin idea" of academic service to the community continued in joint projects conducted by the Institute and the state and aided by grants from the Ford Foundation. In 1984 the Child Support Assurance Program began to be put to the test, piloting a reform designed to increase equity in the system and to help single mothers achieve self-support.35 To measure the program's results, a survey designed at the Institute—CHIPPS, the Wisconsin Survey of Children, Incomes, and Program Participation—began in 1985 to gather data on the cost of the reform and public attitudes toward it.

Meanwhile, new topics were added to the Institute's agenda, including research on several minority groups that had not previously been featured in IRP work: Hispanics, immigrants, and Native Americans. A conference in 1982 on Hispanics in the U.S. economy was followed by a two-year project that examined the labor market experience and public assistance utilization of Hispanics, immigrants, and refugees.36 A successor project is now examining poverty among Puerto Rican, Native American, and recent immigrants in relation to their migration patterns, employment status, and reliance on public transfers. A joint IRP-state project began in 1985 to evaluate the economic well-being of the 30,000 Indians in Wisconsin. And a national conference to be held in November 1986, sponsored by the Institute and the Ford and Rockefeller Foundations, will examine the causes and consequences of poverty among all minority groups in the United States.

Research innovation was also represented by a longitudinal study of the homeless, now in progress; by an extensive examination of the role played by charitable organizations in providing material assistance to the needy;37 and by a privately sponsored study that estimated the potential savings from introducing computerized automation into the administration of welfare programs, Medicaid in particular.38

These are the highlights of the events and the work that have marked the history of the Institute. It seems appropriate to close this narrative sketch with a summary statement of what the Institute stands for, after twenty years of operation: first, commitment by its research staff to use the full resources of the social sciences to enlarge our understanding of the underlying causes and possible cures of poverty; second, selection of the research topics best suited to advance that purpose; third, strengthening the analytical tools and data bases that permit those studies to be conducted. The staff's commitment and resolve remain as strong as they were two decades ago.

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IRP Directors

Robert J. Lampman, Interim, 1966
Harold W. Watts, 1966–1971
Irwin Garfinkel, 1975–1980
Eugene Smolensky, 1980–1983
Sheldon H. Danziger, 1983–

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2 The tradition dates back at least to the 1890s, when the historian Frederick Jackson Turner and the economist Richard T. Ely established on campus an interdisciplinary program that emphasized economic and social factors. It gained distinction as "the Wisconsin school" of history. A similar label was given two decades later to a branch of labor economics at the university: "the Wisconsin school [was] characterized by an intense zeal for public service and social reform coupled with both a critical attitude toward

2 Robert Lampman has provided a more detailed account of the creation of the Institute in “Can and Should Universities Help Government with Policy-Oriented Research?” *Focus* 7:3 (Fall 1984), pp. 8–10.


4 The individual projects that were initially funded grew out of the research plans formulated by a faculty interdisciplinary group that met on campus from 1964 to 1966. Titled the Committee on Problems of Poverty and chaired by a member of the economics department, Martin David, the group was charged by the university’s vice-president with examining “what the University ought to be doing in the poverty area.” David became an IRP affiliate and is now co-director of the Research Network and Data Center housed at the Institute, described later in this article.

5 The New Jersey experiment was conducted from 1968 to 1972. Its design, operation, and results are described in a three-volume report (see list of books). The results of the Rural Income Maintenance Experiment (1969–72) are summarized in IRP Special Report no. 10, “The Rural Income Maintenance Experiment” (November 1976, 97 pp.).

6 Lampman, oral history interview, University of Wisconsin Archives, Oral History Project, October–November 1981.

7 Eugene Smolensky elaborated on this topic in an interview published in *Focus* 6:3 (Summer–Fall 1983), pp. 13–14.

8 In the list of IRP books, see works by Jeffrey Williamson and Peter Lampman and Felicity Williams and Peter Lampman, whose work appeared in a number of IRP Discussion Papers and Reprints.

9 Robert Hauser and David Featherman collaborated on a number of studies (which appeared in the IRP Reprint series) concerning social stratification and social mobility, culminating in their two books, *The Process of Stratification: Trends and Analyses* (New York: Academic Press, 1977) and *Opportunity and Change* (New York: Academic Press, 1978). Robert Mare’s work dealt with the sources of educational growth in America; several of his IRP Discussion Papers and Reprints were summarized in *Focus* 3:2 (Winter 1978–79), pp. 5–6. Michael Olneck investigated the relationship of schooling and success, also summarized in *Focus* 5:3 (Summer 1982), pp. 9–14. The economists were Lee Hansen, Burton Weisbrod, and Robert Lampman, whose work appeared in a number of IRP Discussion Papers and Reprints.

10 This is the general tenor of Chapter 1 of Martin Anderson’s *Welfare: The Political Economy of Welfare Reform in the United States* (Stanford, Calif.: Hoover Institution, 1978). The chapter begins by stating: “The ‘war on poverty’ that began in 1964 has been won” (p. 15), and ends: “We should now begin to think about how to revise our welfare strategies to deal with the problem of preventing poverty, to make programs more effective and efficient, to eliminate those programs that are not needed, and to focus more on the social problems that widespread welfare dependency will bring” (p. 39).

11 In the list of IRP books, see works by Robert Plotnick and Felicity Skidmore, Marilyn Moon and Eugene Smolensky, and Irwin Garfinkel and Robert Haveman, with the assistance of David Betsot; also, Timothy Smeeding, “Measuring the Economic Welfare of Low-Income Households and the Antipoverty Effectiveness of Cash and Noncash Transfer Programs,” Ph.D. dissertation, Department of Economics, University of Wisconsin–Madison, 1975.

12 In the list of IRP books, see works by Jeffrey Williamson and Peter Lindert and by Morgan Reynolds and Eugene Smolensky.

13 In the list of IRP books, see that edited by Glen Cain and Harold Watts, and the three volumes on the New Jersey Income Maintenance Experiment (Vol. I is edited by David Kershaw and Jeri lyn Fair, Vols. II and III by Harold Watts and Albert Rees).

14 This research is summarized in *Focus* 5:3 (Summer 1982), pp. 1–6.


16 In the list of IRP books, see the two volumes edited by Robert Haveman and Kevin Hollenbeck.

17 In the list of IRP books, see those by Joel Handler, Handler and Ellen Jane Hollingsworth, and Handler, Hollingsworth, and Howard Erlanger; and the volume edited by Irene Lurie.


19 In the list of IRP books, see those by Richard Burkhauser and Robert Haveman, and by Haveman, Victor Halterstadt, and Burkhauser.

20 In the list of IRP books, see that by Erik Olin Wright.


22 This study expanded into a larger one that resulted in an IRP monograph by Joel Handler and Michael Sosin (see list of IRP books).

23 In the list of IRP books, see that edited by Robert Haveman and Jeffrey Williamson and Peter Lampman, and correspondence with the assistance of David Betson; also, Timothy Smeeding, “Measuring the Economic Welfare of Low-Income Households and the Antipoverty Effectiveness of Cash and Noncash Transfer Programs,” Ph.D. dissertation, Department of Economics, University of Wisconsin–Madison, 1975.

24 In the list of IRP books, see works by Robert Plotnick and Felicity Skidmore, Marilyn Moon and Eugene Smolensky, and Irwin Garfinkel and Robert Haveman, with the assistance of David Betsot; also, Timothy Smeeding, “Measuring the Economic Welfare of Low-Income Households and the Antipoverty Effectiveness of Cash and Noncash Transfer Programs,” Ph.D. dissertation, Department of Economics, University of Wisconsin–Madison, 1975.

25 In the list of IRP books, see works by Robert Plotnick and Felicity Skidmore, Marilyn Moon and Eugene Smolensky, and Irwin Garfinkel and Robert Haveman, with the assistance of David Betsot; also, Timothy Smeeding, “Measuring the Economic Welfare of Low-Income Households and the Antipoverty Effectiveness of Cash and Noncash Transfer Programs,” Ph.D. dissertation, Department of Economics, University of Wisconsin–Madison, 1975.

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34 In the list of IRP books, see works by Robert Plotnick and Felicity Skidmore, Marilyn Moon and Eugene Smolensky, and Irwin Garfinkel and Robert Haveman, with the assistance of David Betsot; also, Timothy Smeeding, “Measuring the Economic Welfare of Low-Income Households and the Antipoverty Effectiveness of Cash and Noncash Transfer Programs,” Ph.D. dissertation, Department of Economics, University of Wisconsin–Madison, 1975.