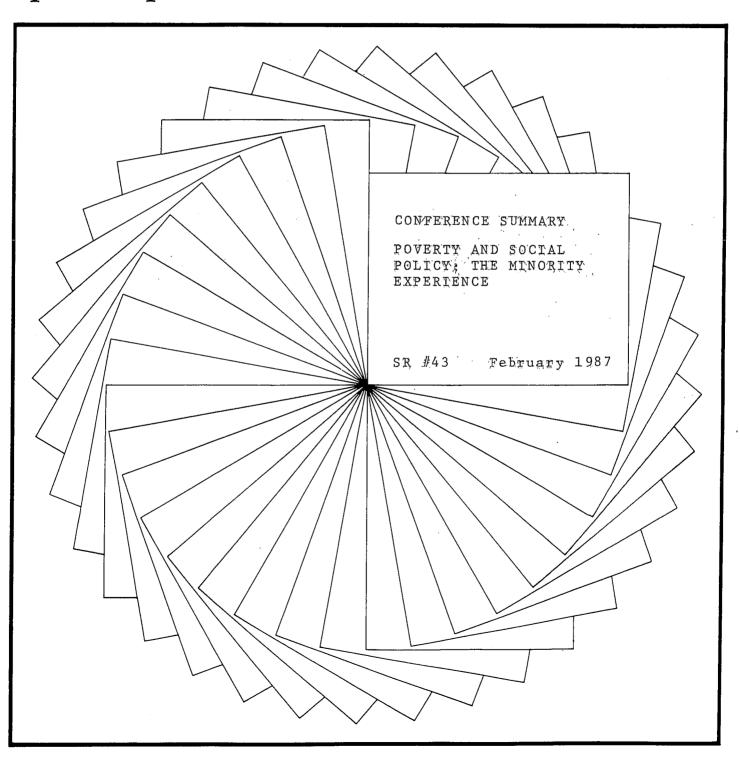
# Institute for Research on Poverty

# **Special Report Series**



#### CONFERENCE SUMMARY

Poverty and Social Policy: The Minority Experience

February 1987

This report describes the proceedings of a conference held in November 1984, sponsored by the Institute for Research on Poverty with the support of the Ford Foundation and the Rockefeller Foundation.

#### Executive Summary

This report summarizes the proceedings of the conference on minorities in poverty that was held at Airlie House, Airlie, Virginia, November 5-7, 1986. It contains synopses of the papers as they were presented at the conference, a digest of the formal comments offered by designated discussants (names underlined), and a brief description of the open discussion following each paper. A list of the participants is appended to the report.

The papers compared the changing economic status and family makeup of different minority groups over the past twenty to forty years (Paper 1), assessed the role of public transfers in altering well-being (Paper 2), examined educational differences (Paper 4), and took a close look at the problems of the homeless (Paper 6), the jobless (Paper 7), and families in poverty (Paper 3). The complex issue of whether programs should treat different groups differently or equally was addressed (Paper 8), and the past and possible future course of policy toward disadvantaged minority-group members was charted (Paper 9). Some of the papers looked at a variety of minorities—usually comparing blacks, Hispanics, and Native Americans—while others confined their examinations to differences between blacks and whites.

The conference brought together scholars of varying racial and ethnic backgrounds, poverty analysts, policymakers, and other practitioners in the field. This divergent group exchanged viewpoints and ideas, raising issues for further exploration and offering alternative explanations of the empirical evidence presented.

At the end of the conference the rapporteur (see section following Paper 9) identified two themes that echo through the paper. The first is that of bifurcation within and between minority groups. Some individuals in the groups are succeeding economically while others are not; some minority groups are experiencing improved well-being while the situation of others is declining. Whether this division simply reflects the truism that the ablest and brightest get ahead first or whether it indicates that a permanent underclass is being formed by the least advantaged cannot be determined with the cross-sectional data available and used in these papers. Longitudinal studies will be needed before we can talk of an underclass.

The second theme was that the demand side of the labor market for men has an equal standing, as a proximate cause of poverty, with the personal characteristics of unmarried women with children. Related to this theme was the topic of job availability, which was the subject of sharp debate during the conference. Some participants argued that underemployment of minority men, which can be associated with the rise of female-headed families, results from an inner-city decline of jobs for those of low skills; others asserted that the jobs are there, and suggested that underemployment may reflect a deliberate choice not to engage in market work. The debate remained unresolved.

The conference concluded with a discussion of the adequacy or inadequacy of academic studies as a guide to public policy.

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#### INTRODUCTION

In his welcoming remarks Sheldon Danziger (Institute for Research on Poverty) set forth the purpose of the conference: to pursue the subject of poverty in America through the experience of minority groups. The papers were intended to assess the economic and social status of blacks, Hispanics, and Native Americans in order to aid our understanding of changes in economic well-being within the various groups and in relation to non-Hispanic whites. Questions to be addressed included the importance of minority-group membership in determining the poverty risks of individuals, and the effects of social programs on alleviating poverty among the groups. The convenors hoped that the resultant findings would help inform the making of social policy.

Paper 1. "Poverty and Minorities: A Quarter-Century Profile of Color and Socioeconomic Disadvantages," by Marta Tienda and Leif Jensen, Institute for Research on Poverty, University of Wisconsin-Madison.

The initial paper set the stage for the papers to follow by providing baseline information on the relative socioeconomic status of minorities. It began by defining a "minority group" as one distinguished not only by color and/or culture, but also by disadvantage—by exclusion from the reward system of the larger society. Using the decennial censuses of 1960-80, it examined changes in the economic status since 1960 of five groups: (1) blacks; Hispanics of (2) Mexican, (3) Puerto Rican, and (4) other Spanish origin; and (5) Native Americans.

All five racial and ethnic groups enjoyed sizable increases in mean and median real family income, especially from 1960 to 1970. Relative to non-Hispanic white families, black, "other Hispanic," and (especially) American Indian families made significant advances over the 1960s and 1970s. Mexicans, however, showed neither net improvement nor deterioration in relative economic status, and Puerto Ricans fell much further behind whites in terms of median and mean family income. Deterioration in the economic position of Puerto Ricans and improvement among American Indians were sharply evidence in these and subsequent analyses in the paper.

In terms of relative poverty, three patterns emerged. Among American Indians relative poverty steadily declined from 1960 to 1980; for blacks, other Hispanics, and non-Hispanic whites it declined during the 1960s, then increased slightly during the 1970s. Among Mexicans and Puerto Ricans it steadily increased. Puerto Ricans were the only group to show a steadily increasing concentration in the lowest income quartile, i.e., they were increasingly represented among the very poor.

These economic changes seem to reflect economywide shifts in the nature and availability of work. Among the proportionate sources of family income, that stemming from labor force participation (earnings) was largest. Its share slightly increased during the 1960s and decreased during the 1970s. The share of family income derived from public assistance rose slightly. Welfare did not seem to be a major source of family income among minorities, never exceeding 9 percent, especially in comparison to earnings, which in all cases exceeded 83 percent. There was an increase in the share of family income from social insurance over time (perhaps due to the aging of the population), though this share never exceeded 5 percent, on average.

Among couples, the relative contribution of total labor income by heads declined during the 1960s and 1970s, while that for other family members (notably the spouse) increased. Spouse's earnings served to keep a substantial number of families out of poverty. This greater spread of work probably contributed to the generally decreasing absolute poverty rates among minorities and prevented an increase in earnings poverty during the slow economic growth of the 1970s. Interestingly, among single-parent families, the percentage of total labor income contributed by the head increased (though Puerto Ricans were an exception), indicating the willingness of single parents to work despite their greater difficulty in allocating time between home and market production.

In terms of changes in family composition, all groups registered a decrease in family size and an increase in female headship from 1960 to 1980. Changes in family size were fairly uniform; the shift to female headship was much larger, however, among blacks and Puerto Ricans. Puerto Rican families have become increasingly similar to blacks in terms of both their growing female family headship and their family employment patterns. That poverty rates soared for Puerto Rican families while they have declined for black families can largely be traced to the greater success of black women in the labor market. Whereas participation rates for black women increased during the 1960s and 1970s, the rates for Puerto Rican women dropped.

Finally, the paper found evidence of increasing differentiation within minority groups: some American Indians have grown more prosperous while others have become poorer, a pattern echoed among blacks and Hispanics.

In terms of policy, the authors stressed the need for employment and training efforts. Secondary-earner income effects were more effective hedges against poverty than were means-tested income transfers, yet some

groups—notably blacks and Puerto Ricans—witnessed appreciable increases in the share of families with no earners. Why have our welfare and employment policies failed them more than others of like or different ethnicity? The authors suspected that persisting labor market discrimination may be part of the answer. Variations in family headship and in sources of income across groups indicate that policies must be tailored to meet the needs of specific groups.

#### Discussion

Frank Furstenberg (University of Pennsylvania) commented that an important finding in the paper was that unemployment, underemployment, and changing styles of family formation have the most potent effects on relative and absolute levels of poverty among minorities. He also pointed out, as the authors had acknowledged, that cross-sectional analyses of minority groups can be hazardous because some of the populations may have changed more than others over the decades: Mexican Americans, for example, are affected by immigration and emigration, Native Americans by changes in their self-reported race identification. Nevertheless, the paper provided valuable information, especially in the area of family income packaging.

The subject of family income raised the question, Furstenberg thought, of the role of public policy in influencing family formation patterns. This could be accomplished by more deliberate policies favoring marriage and discouraging ill-timed childbearing. Finally, Furstenberg found the authors' definition of minority not entirely satisfactory: association with disadvantage did not, he felt, go far enough—what we need to know is why some minorities (e.g., Asians) are able to overcome discrimination more effectively than others.

Lillian Fernandez (staff member in the U.S. House of Representative) commended the paper for laying essential groundwork, suggested that it amplify the meaning of the term "color," and posed other policy questions that resulted from the evidence presented: What are the differences in well-being among the elderly versus the nonelderly in each group? What are the minority experiences in health and housing? How does minority poverty differ in urban and rural areas? What is the effect of fertility patterns on education and income? What would be the effect of raising the minimum wage? In connection with the paper's stress on the employability of minority groups, she felt the need for more analysis of the labor market situation in regard to job skills and educational levels, especially among Puerto Ricans. She also suggested the need for more analysis of the dissimilarities of blacks and Puerto Ricans to identify factors that improve the situation of blacks but not of Puerto Ricans. Does language difficulty, for example, explain why many single heads of Puerto Rican families are not working?

One member of the audience noted that his own analysis of data from the Current Population Surveys painted a more negative picture of the black condition—decline rather than rise in median family income, and a smaller degree of convergence with the status of whites. Another pointed out that although the data used in the paper were cross—sectional, reflecting static points in time, the analyses were of dynamics—changes within groups over time—which meant that the inferences of causality were inconclusive. Other comments concerned future research needs:

studies of the effect of recessions and market dislocations on minorities; intergenerational studies to tell us whether the second generation fares better or worse than the first; and analyses that focus on similarities rather than differences among minorities—shared geographic location, age composition, etc.

Paper 2. "Transfer Programs and the Economic Well-Being of Minorities," by William A. Darity, Jr., University of North Carolina, Chapel Hill, and Samuel L. Myers, Jr., University of Maryland.

The second paper investigated the role of transfer income in reducing poverty among minority groups as compared to whites. The minorities examined were blacks, Native Americans, Hispanics, and in some cases Asians. Two data sources were used: the 1970 and 1980 censuses of the population and the 1976 and 1985 March Current Population Surveys.

The CPS information permitted comparison over those years of average household income (i.e., all persons occupying a housing unit) before and after receipt of cash transfers among Hispanic, black, and white maleheaded and female-headed households. Means-tested and non-means-tested benefits were added together. The comparisons showed marked differences in the effects of cash transfers on minority versus nonminority households. The variations depended in particular on whether the household was female-headed and whether its head had any earned income. Among black and Hispanic households headed by women, transfers had very small income effects, causing those who were already poor to become merely somewhat less so. In contrast, among black and Hispanic male-headed households, those who had earnings moved to relatively higher levels of income as a result of cash transfers. This pattern was even greater among white households. In general, because social security benefits are based on prior earnings and are not means tested, whites with pretransfer incomes well above the median benefited from transfers as much as did below-median-income whites.

The authors then used the 1970 and 1980 decennial censuses to measure the effects of public assistance and social security transfers. They concluded that such benefits only modestly altered the relative status of minority and white families. (The census gives data not on households but on families—two or more persons related by blood, marriage, or adoption who live together.) White female—headed families remained poorer than white male—headed families. The poorest families after receipt of transfers were Puerto Rican female—headed families. Next in the posttransfer income ranking were black and reservation Indian families headed by women. White and Japanese families headed by men had the highest posttransfer incomes.

#### Discussion

Margaret Simms (Joint Center for Political Studies) stressed the need to distinguish among the different types of transfer programs so that their effectiveness in aid of the poor could be compared, for example assessing social security transfers that are directed toward the elderly as opposed to AFDC benefits that are targeted on younger, female-headed households. She also questioned the authors' implicit assumption that transfers were effective only if they moved families over the poverty line, and she pointed out that any conclusions about changes in the shape of the income distribution were weakened by the fact that posttransfer income did not take taxes into account. Her comments concluded with the recommendation that the separate parts of the paper be better integrated and that definitions of some of their terms ("quality of life," "social class") be clarified.

Daniel Weinberg (Department of Health and Human Services) focused on the authors' empirical analyses. He considered the failure to distinguish between means-tested and non-means-tested transfers a serious omission; and he described the pitfalls of the data: e.g., the contrasting definitions of family (census) and household (CPS), making comparisons difficult; the exclusion from consideration of such other transfers as Unemployment Insurance and veterans' benefits. He recommended that the authors clarify their discussion by constructing simple transition matrixes of pre- and posttransfer poverty ratios, showing for instance the fraction of families that moved from a position within 75 to 99 percent of the poverty line before transfers to 100 to 125 percent of

the poverty line after transfer receipt. He also emphasized the need to integrate the separate parts of the paper.

One member of the audience observed that assessment of transfer effectiveness must take into account behavioral effects, especially the level of work effort, that would be observed if no transfers were available. The issue of horizontal equity was raised: to what extent do transfers alter the relative positions of minority and nonminority members? It was pointed out that national averages obscured regional variations in both benefits available to and participation rates among eligibles. The recommendation concerning clarification of terminology was reinforced, particularly in regard to "significance" (social or statistical?). The final comment from the floor was that, since the paper showed that transfers had only a small effect on improvement in minority well-being, we should perhaps examine the cultural differences among minority groups that lead to differential use of transfers, which might account for the contrasting positions of, for example, Puerto Ricans and Japanese Americans. The same participant raised the question of whether the absence of work requirements in welfare programs have had adverse effects on posttransfer incomes.

Paper 3. "Poverty and the Family," by James P. Smith, Rand Corporation.

This paper investigated factors underlying the decline of two-parent families, the feminization of poverty, and the increasing numbers of children among the poor. Its analyses drew primarily on data from the five decennial censuses, 1940-80, and compared black and white families.

After constructing special poverty thresholds that adjusted for growth in real income, the author examined changes since 1940 in the proportion of families falling into three income classes: poor, according

to his adjusted definition; affluent, defined by a line designating the top 25 percent of families in 1960, adjusted for real income growth in other years; and middle, the residual. The results depicted a decline in the proportion of all poor families, from 34 percent in 1940 to 11 percent in 1980; a strong rise in the share of middle-income families, from 40 to 63 percent; and stability in the proportion of the affluent, 26 percent in both years. A comparable analysis for black families demonstrated their differences from the average among all families: a smaller proportionate decline in poor families (from 71 to 30 percent), a larger growth in the black middle class (from 26 to 59 percent), and a strong increase in the black affluent class (from 3 to 11 percent). Smith emphasized the growth of the middle class, both black and white.

The paper then documented the rise in female-headed families, whose share among all families rose from 8.6 percent in 1940 to 13.6 percent in 1980, with a much sharper increase among black families. These families headed by women were represented in ever greater proportions among the poor, reflecting a sharpening divergence in the economic condition of intact and female-headed families among both races.

Assessing the changing poverty rates among children, the paper argued for adjustments in the official poverty rates to take account of the fact that intact families with nonworking wives should be attributed lower poverty rates than the standard thresholds indicate, since the mother can thereby invest more time and effort in childraising and is hence better off. Adjustments were also made to lower the official poverty rates attributed to family size, on the grounds that economic needs do not necessarily rise linearly with the number of children. Even after making such adjustments, the paper noted that the severity of the problem of children in poverty has steadily increased, and has done so, the author concluded, as a direct result of the rise in female-headed families.

Smith examined the effect of this changing composition of the family on the economic welfare of its members, focusing on racial differences. In contrast with the fact that the income gap between black and white full-time male workers has steadily narrowed since 1940, the black-white family income gap, after growing smaller from 1940 to 1960, has in recent years barely altered-black family incomes as a percentage of whites were 61.2 percent in 1970, 62.5 percent in 1980. Smith identified two principal reasons for this slowdown in black poverty reduction: the continued breakup of the black family, and the absence of economic growth in the 1970s.

As a hypothetical exercise, Smith estimated what the incomes of female-headed families would have been had they lived in married-couple families. He did so by analyzing 14-year data from the Panel Study of Income Dynamics on the incomes of women before, during, and after single-family headship and the incomes of married couples. He found that incomes dropped sharply as a result of female headship and that white women benefited more from remarriage than did black women. The particular problems of black women "represent the major new dimension of the

poverty problem. . . . Not only are their incomes low during their years of female headship, [but] their family incomes were quite meager when they were members of an earlier family."

#### Discussion

Heidi Hartmann (National Research Council) commended the paper for contributing new insight into the feminization of poverty. She took issue, however, with the major policy implication that seemed to follow--i.e., that promoting marriage and marital stability was the key solution to the problem of women and children in poverty. Her disagreement centered on the adjustments in poverty rates: she felt that disregarding the contribution of working wives in keeping families out of poverty was unjustified, in view of women's increased labor force participation and contribution to family income; and disregarding rising family needs in proportion to the increasing numbers of children per family seemed equally implausible. Smith's arguments, she stated, were based on neoclassical economic assumptions of "revealed preference": if women stop working to have children, and if families choose to have more children, they are revealing deliberate preferences that enhance utility. But, Hartmann countered, if women (especially blacks) are not marrying in 1980 at the rates they did in 1960, could this also be considered a revealed preference--a deliberate choice to remain single, perhaps because the rewards of marriage are less?

Hartmann found that the main flaw in Smith's method of hypothetically marrying off single women was in using the actual income of men that some women in the PSID sample had married. To use these men as the basis for

the hypothetical couple's income risked confusing the marginal with the average. The average income of the married men was almost certainly higher than the incomes of the (marginal) single men still available; thus using their income would inflate the results. If the lower income of the marginal men were used, the hypothetical poverty reduction of female family heads would be less.

She considered the major contribution of the paper to be its observation that poverty and female-headedness did not always occur together—they did not, for example, in 1940. Therefore they need not do so; appropriate social policies can be developed that would allow women to support their families adequately and might (or might not) enhance marriage.

Hartmann's alternative explanations for the phenomenon of increased nonmarriage were that women's gains from marriage relative to other ways of supporting themselves have been declining as their education, earnings, and occupational status have been rising. The policy implications were, in her view, to enhance marriage by aids to working parents, such as universal child care, paid parental leaves from employment, and reduced working hours. Such policies would of course make it more possible for mothers to survive without husbands, but "policies cannot attempt to replace [women's] economic independence with the time-honored but obsolete economic dependence on men." She suggested that another incentive to marriage would be to make childrearing more acceptable to men. Finally, the economic consequences of divorce for women and children could be lessened by a minimum required child support amount from the father; this enforced financial connection might also enhance the father's social connection with his children.

Walter Allen (University of Michigan) commended Smith's analysis of changes in family income over time, but suggested several other considerations: (1) the addition of detailed descriptions of data sources and definitions; (2) acknowledgment of the role of such historical forces as the civil rights movement, residential changes, and alterations in the employment structure of blacks in producing these results; (3) qualification to the statement that study of the black family became taboo after the Moynihan Report, since the literature on the subject has grown larger; (4) the need to pay greater attention to the different types of female-headed families, particularly those with never-married mothers; and (5) recognition of the fact that the slowdown in economic growth and the rise of female-headed families are coincidental, not separate, events: the decline in male employability, especially among blacks, can be closely related to the decline in marriages. Allen also took issue with the calculation of a hypothetical family income if single mothers had married.

Comments from the floor concerned the linkage between labor market conditions and the rise of female-headed households, the possibility of promoting marriage by public subsidies to the wages of intact families, and questions regarding the utility of adjusting the poverty rates in the manner demonstrated in the paper.

Paper 4. "Ethnic and Racial Patterns of Educational Attainment and School Enrollment," by Robert D. Mare, University of Wisconsin-Madison, and Christopher Winship, Northwestern University.

Using data from two sources, the 1973 survey "Occupational Changes in a Generation" (OCG II), which provides information on family background,

earnings, and school attainment of a sample of men, and the 1980 census, which provides broader population coverage but little information on family socioeconomic background, this paper compared the educational experiences of minority groups.

The 1980 data on level of schooling completed by persons aged 23-35 showed that among most minorities as well as among majority whites, high school completion has become the norm. The exception was the Hispanic group, among whom only 50 percent were high school graduates; and Hispanic nongraduates, half had failed even to enter high school. Among Hispanics, the Mexican Americans and Puerto Ricans had the lowest level of educational attainment. Blacks and Indians had the next lowest levels; but over 70 percent of both had completed high school and about 30 percent had attended college. Asian Americans had the highest levels of attainment, ranking above non-Hispanic whites.

Analysis of OCG II showed that socioeconomic background factors, such as parents' schooling and occupation, explained a considerable amount of the differences across groups in highest grade attained. When this background was controlled, the disparities were reduced by 33 to 75 percent.

The OCG data were used to analyze the distribution of school achievement levels within each minority group. Hispanics had a quite uneven distribution, reflecting the heterogeneity of this group's members. Among all groups, however, the importance of family background was equally strong in accounting for schooling level attained.

In terms of school enrollment, the census information demonstrated that Asian Americans had higher enrollment rates that did whites, blacks, Hispanics, or Indians, and that black and white enrollment rates were substantially higher than those of Indians and Hispanics. The gap between Hispanic and non-Hispanics in school enrollment was smaller than the gap in attainment, pointing to possible improvement in future educational attainment among Hispanics.

#### Discussion

Sara McLanahan (Institute for Research on Poverty) supplemented the paper's analysis of the influence of family background by using the 1980 census information to look specifically at the relationship between teenagers' parental status—whether they were living with both parents or one parent—and their likelihood of staying in high school. Because dropping out of high school has been associated with many negative

outcomes in later life, including marital instability, very low income, crime, and unemployment, and because the number of children living in single-parent families has increased dramatically during the last two decades, this analysis was intended to serve as an indicator of intergenerational aspects of well-being.

McLanahan concluded that, regardless of family status, Native

Americans, Puerto Ricans, and Mexican Americans aged 16-17 had the lowest

high school enrollment rates of the minority groups. Her calculations

also showed that children in families headed by mothers were much less

likely to be in high school than children in two-parent families. The

lower income of the female-headed families explained about 30 percent of

this difference; among blacks and Cubans, income explained over 40 per
cent of the difference in high school enrollment, whereas among non-Cuban

Hispanics it explained only 11 percent.

One member of the audience noted that McLanahan's data could be viewed in a more positive light, insofar as it showed fairly high enrollment rates among all minority youths—for example, even among those in single—mother families, 87 percent of whites and 89 percent of blacks were still in school at ages 16 and 17. McLanahan responded that, as the Mare and Winship paper had demonstrated, high school completion has indeed become the norm, but this means that the relative disadvantage of those left behind has become even greater. Furthermore, the serious problems that afflict those who fail to graduate means that these people are a cause of grave concern, especially in view of the fact that their problems may be transmitted to the next generation.

Another participant stated that causal explanations regarding schooling must deal with cultural attitudes and values among the different groups: Asians, for example, consider it almost a moral imperative to obtain the best education possible, but this seems not to be true of other minorities. Mention was made of the use of racial and ethnic enclaves to enhance minority socioeconomic success, particularly the enclaves constructed by Asian Americans.

One observer noted the need to focus on what goes on with the "black box" of schools—to distinguish effective from ineffective programs, so that policies can emphasize the programs that help advance teenagers to high school completion and college attendance. Another pointed out that grade attainment did not always reflect educational achievement, as evidenced by the lower national test scores registered by minorities relative to whites in the same grade.

Paper 5. "Multiple Disadvantages? Exploring the Effects of Nativity, Age, and Vintage on the Experience of Poverty," by Guillermina Jasso, University of Minnesota.

This paper formalized the individual's experience of poverty as the joint product of the individual's actual amount of material goods (an objective component) and the amount of material goods he or she considers right or appropriate for himself or herself (a subjective component), thus leading to specification of two equations, one describing determination of the objective component, the other of the subjective component. It proposed and used methods designed to isolate, wherever possible, the pure effects of nativity, age, and vintage (i.e., cohort): (1) to separate age and vintage, it used fixed-effects models on longitudinal data; and (2) to isolate the effects of nativity, it not only examined native-born and foreign-born samples but also controlled for the operation of immigration-law status (whch may severely curtail employment opportunities among the foreign-born). The paper used three data sets: a random sample of the 1971 cohort of persons admitted to legal permanent residence, including information obtained at naturalization for those who had naturalized by early 1981 (from records of the U.S. Immigration and

Naturalization Service); the National Fertility Studies 1970-1975 panel of 2361 white married couples; and a 1974 factorial survey of a probability sample of 200 Baltimore residents.

A preliminary finding concerned the operation of birth cohort in the determination of both the objective and subjective elements in the experience of poverty. The results reported in the paper suggest that, owing to the operation of cohort (purged of the effects of age), successive groups of elderly native-born women will be progressively more needy, while successive groups of elderly native-born men and immigrant women will be progressively more affluent. However, pending further research on more representative samples, especially samples of foreign-born persons whose legal status is known and who entered the United States in different time periods, these findings must be interpreted with great caution.

#### Discussion

Douglas Massey (University of Pennsylvania) described what he considered to be the paper's technical debilities and consequent methodological problems. The dependent variable of interest, observed earnings, was not directly measured in any of the data sets; inferences about material well-being were therefore tenuous. The immigrant data could mask selective emigration, thus biasing the results obtained from the analysis. And the use of NFS data, which was limited to white husbands and wives, excluded earnings information on the minority groups that were the subject of the conference. He also expressed reservations about the relevance of the theoretical model to the understanding of minority groups.

John Henretta (University of Florida) found the paper's conceptual framework impressive but its data inadequate for its purpose. As did Massey, he emphasized the problems posed by these particular data sets, although he considered the paper an important one for its methodological approach.

Discussion from the floor centered on drawbacks of the data, such as the use of information on European immigrants, making it difficult to apply findings in the paper to such immigrant minority groups as Mexican Americans.

Paper 6. "Minorities and Homelessness," by Peter H. Rossi, University of Massachusetts.

Drawing on a set of surveys conducted in Chicago under his direction in the fall of 1985 and winter of 1986, Rossi described the "collective portrait of the homeless" that had emerged from his study: (1) individuals in extreme poverty, with incomes close to zero, having little or no links to either the labor force or the income transfer system; (2) people without family—single persons who either had never married (true of over half) or whose marriages had ended long ago, having rare contact with relatives; (3) people extensively disabled—large proportions were physically and/or mentally impaired; many were present or former alcoholics.

Three quarters of the homeless in the Chicago sample were men, reinforcing the Skid Row image of studies from 50 years ago, but the finding that one of four was a woman contrasted with studies of earlier years, when almost no women were found among the homeless. In age, the population was heavily concentrated in the middle years, between 30 and 45--the average age was 40--but 11 percent were under 25 and almost 20 percent were 55 or over.

Analysis of racial and ethnic representation found that 53 percent were black, in comparison with a black population of 35 percent in the city as a whole. American Indians were also overrepresented relative to their citywide population: 5 percent as compared to .1 percent. On the other hand, Hispanics and whites were both underrepresented—7 percent of the homeless group were Hispanic, and compared to 14 percent throughout the city; the comparable figures for whites were 31 percent versus 55 percent.

Rossi identified five major causes of homelessness: the diminishing stock of urban housing available to the very poor; the changes in household composition that have produced more single persons, fewer adult children living with parents, and more poor single women, with and without children; holes in the safety net—lack of welfare benefits available to men of working age, who represented the "modal type" in this group of the homeless, plus low recipiency of the one benefit they were eligible for, General Assistance; a weakening sense of obligation by kin toward these people, perhaps because so many of them were alcoholics, chronically mentally ill, or ex-offenders; and finally, the decline in availability of low-skilled jobs in the inner city.

#### Discussion

Cesar Perales (New York State Department of Social Services) considered Rossi's study useful and informative, going "about as far as it is possible with survey methodology." He expressed two reservations: it operationally restricted the definition of homelessness as living on the streets or in shelters, and thus risked omitting those temporarily housed but soon to be homeless again; and its reliance on interviews might weaken the validity of the data, as the homeless tend to be more distrustful of others. He found nevertheless that Rossi's findings generally confirmed the New York urban experience, except that more families figure among the New York State homeless.

Perales felt that homelessness was not so much a manifestation of personal pathology, as Rossi had indicated in his descriptions of the disabled quality of the population, as of the failure of public policies. Solutions, he suggested, lay in reducing unemployment; developing new forms of subsidized housing, particularly for the deinstitutionalized mentally ill; and making better use of existing housing programs by allowing administrators more flexibility in meeting individual needs. He also stated that we must gain a broad theoretical understanding of the problems of homelessness through analysis and synthesis of information on the economic restructuring of cities, on the changing urban ecology, on demography, on income and employment, and mold a macro perspective on poverty today.

Michael Sosin (University of Chicago and Institute for Research on Poverty) regarded the paper as a valuable first attempt at developing an

empirical base for an understanding of homelessness. Its drawbacks, he thought, stemmed from its cross-sectional features, which could not sufficiently separate the long-term from the short-term homeless; and its sampling frame, which might have overrepresented minorities by omitting those in treatment facilities, who are more likely to be white and back on the streets soon, and underrepresented families, who are more likely to double up temporarily with other families but then become homeless again. Like Perales, Sosin thought the paper overstressed disability among the homeless. It is important, he stated, to differentiate the very different groups who make up the homeless, some disabled and some not, and to tailor policies accordingly.

Sosin found that the paper left unaddressed the question of whether the racial and ethnic distribution of the homeless is different from that of the poor in general. Does minority homelessness reflects poverty in a straightforward manner, or does it involve other social problems and specific disabilities connected with minority status?

One member of the audience questioned where the issue of homelessness should be placed on the social policy agenda, in view of the fact that its population seemed mainly to include two separate groups, in terms of policy: a small number of families, whom society is more willing to help and for whom we have some assistance policies; and a large number of single men with severe problems for which we have no long-term solutions. Rossi and Perales joined in replying that homelessness is a large and growing social problem that must rank high on the social policy agenda, and which requires a variety of policies: provision of inexpensive housing, more low-skilled jobs, more services for the mentally and physically impaired.

Another participant noted that the minority differentials reflected in the Rossi study could indicate cultural differences in coping strategies: Hispanics, for example, might be underrepresented because of their reliance on extended families and the value they traditionally placed on "taking care of their own." Yet, Sosin replied, there remains a substantial segment of the homeless who are beyond family help—such as the chronically mentally ill, whose relatives cannot or will not provide homes.

The discussion concluded with the comment that if we do succeed in developing a national housing policy, we must address the issue of dispersing the poor out of the inner-city ghetto.

Paper 7. "Minorities in the Labor Market: Cyclical Patterns and Secular Trends in Joblessness," by Charles Hirschman, Cornell University.

The paper surveyed trends in minority employment and labor force participation over the past thirty years, focusing on the experience of white, black, and Hispanic men. Using the standard definitions of "employed" as those working for pay or profit, "unemployed" as those not employed who have recently made active efforts to seek work, and "out of the labor force" as those not employed who have ceased looking for work, the paper used annual data from the Current Population Surveys to construct time-series analyses.

Examination of unemployment since 1954 among white and black men aged 16 and older, and of Hispanic men of that age since 1973 (the first year of CPS data on Hispanics) revealed two major patterns: ups and downs in employment following fluctuations in the business cycle, but a generally upward trend in unemployment rates over the entire period. All groups felt the effects of the business cycle, but downturns were much more severe for minority men. And after the 1974-75 recession, unemployment rates among all groups remained above earlier levels even during the more prosperous periods. By 1985 the economy as measured by standard indicators was reflecting health and progress, but 6 percent of white men, 10 percent of Hispanic men, and 15 percent of black men remained unemployed. "What was considered high unemployment in the 1950s is now quite ordinary, and the levels of unemployment reached during the 1982-83 recession were quite unimaginable only a decade earlier."

Unemployment rates do not take account of "discouraged workers"--those who are no longer looking for work--who formed the subject of the paper's next section, which compared the civilian labor force participation rates of black and white men in various age groups over the years 1954-85. The participation rate of white men declined slowly over that entire period, but primarily among men over 45. The trend among black men was quite different: starting out with rates equal to or above those of white men, they experienced steadily and steeply falling rates over the ensuing years, and the decline has been larger among those of younger, not older, ages. Teenaged blacks began in the late 1960s to drop out of the labor force in greater proportions than whites, a differential that has generally continued to widen since then. For men in their early twenties, a similar differential appeared in the early 1970s "The declining trend in labor force parand has remained steady. ticipation is a uniquely minority problem. . . . For young black men there have been steady declines in labor force participation rates. . . . Economic recovery rarely reverses the impact of a recession. While teenagers have been most affected, there is a similar pattern, albeit at a more modest pace, for black men in their twenties."

Hirschman examined the question of whether the worsening employment prospects of young minority men results from a decline in their educational attainment, indicating a decline in their skills and job qualifications. The trend in median years of schooling among white, black and Hispanic men in the labor force has, however, been toward a narrowing rather than a widening gap. The paper also investigated the link between education and employment status by comparing the labor force participation rates of young white, black, and Hispanic men who were and were not enrolled in school. Blacks differed sharply from whites and Hispanics; among the latter two groups, almost 90 percent of young men not in school have remained in the labor force since 1964; among comparable black men, participation rates began to edge downward in the late 1960s, dropped off markedly after the 1974-75 recession, recovered somewhat and then were depressed even more by the recessions of the 1980s. By 1983 over one quarter of nonenrolled black men aged 18-19 were not in the labor force: this was true of more than 15 percent of those aged 20-24. And these are figures that must be added to the unemployment rates described above.

The paper sketched a preliminary model of macroeconomic determinants of unemployment, which indicated that net of economic growth, private investment, or government spending, there has been a steadily rising level of unemployment, especially among younger workers. "The American economy appears to be less and less able to provide employment opportunities for young men. Although the problem is a generic one, the absolute impact is most strongly felt by black workers, especially young black workers."

#### Discussion

Jonathan Leonard (University of California, Berkeley) found that although the paper well described minority-white employment differences, it did nothing to help explain them. He felt that the author, a sociologist, was not sufficiently familiar with the relevant economic literature. The fundamental problem to be addressed, he asserted, is why racial employment patterns are diverging while black-white wages among the employed are converging. Some studies suggest that wage convergence results from the fact that blacks at the lower end of the wage distribution are dropping out of the labor force. Other studies argue that (1) older women who have entered the labor force in large numbers have substituted for young minority workers; (2) crime is an alternative and preferred source of income for many who are out of the labor force; (3) empirical evidence contradicts the "spatial-mismatch" theory, according to which ghetto residents can't find the jobs they need because employment opportunities lie outside the inner city and are therefore not available to many young minority members.

Leonard added that since affirmative action and other public programs have undoubtedly increased the employment levels of minorities, we can only wonder what their employment would have been like in the absence of those programs. The bottom line, he concluded, was that we have no adequate explanation for the decline of black employment and labor force participation, which remains a major puzzle.

Edward Lazear (University of Chicago) rated the paper high for its exposition of data but low for the validity of its hypothesis concerning

macroeconomic determinant of unemployment. He asserted that the hypothesis needed clearer focus and tighter argument, and that the author should take care not to confuse correlation with causation. The issues that should be addressed, he felt, are in the job search literature. Some economists regard the distinction between unemployment and nonparticipation in the labor force as the difference between involuntary and voluntary unemployment: people may choose not to work, and their choice may be defensible on a number of grounds, especially if they are older workers.

Considerable audience discussion followed the formal remarks of the discussants. Hirschman first responded to his critics, stating that evidence against the "spatial-mismatch" theory overlooks the existence of "information mismatch": ghetto residents lack the network of contacts and resources that aid job obtainment. He also thought that unemployment and being out of the labor force were linked, not separate, phenomena, and that the latter was not necessarily a voluntary choice. He stated that we will need more individual behavioral studies, like those of the homeless in the preceding paper, before we find answers to the puzzle.

One participant found Hirschman's hypothesis quite clear and quite plausible: it is the macroeconomic decrease in demand for jobs that can be filled by younger minority members that accounts for the evidence put forth in the paper. Another asserted that the puzzle of high black unemployment and nonparticipation was not so perplexing if one took account of structural economic changes, in particular the decline of manufacturing jobs and the rise of information-processing industries.

Other members of the audience questioned whether the alleged convergence in minority-majority education achievement was as strong as suggested, since studies have shown that years in school do not always measure achievement—on standardized reading and math tests, minorities and whites in the same grades on average do not have the same educational level. The spatial—mismatch hypothesis was again both disputed and upheld, and special concern was expressed over finding ways to get discouraged workers back into the labor force, to instill work habits into minority members at an early age, and to better match the skills of potential workers with the jobs available in our economy.

Paper 8. "Group-Specific Programs and Policies: Lessons from the Native American Experience," by Gary Sandefur, Institute for Research on Poverty, University of Wisconsin-Madison.

American social policy has in the past been ambivalent about whether to offer special treatment on the basis of racial and ethnic identity. The social welfare system emphasizes economic need as the main criterion for receiving aid, yet we have special programs for refugees, non-English-speakers, and especially for American Indians, who alone are entitled to a large number of economic, educational, and health programs. This paper reviewed the rationale for, effectiveness of, and arguments for and against programs designed for specific groups, Native Americans in particular.

The federal government through history has responded to changes in the sizes and apparent needs of minority groups by actions directed specifically toward them. The paper reviewed the major laws and court decisions concerning Indians, blacks, and Hispanics after 1787. Since 1950, federal actions have largely been designed to end racial and ethnic differences in treatment—viz., the Supreme Court decision of 1954 and, the Civil Rights Act, Voting Rights Act, and Fair Housing Acts of the 1960s. Yet programs on behalf of special groups were also enacted during those years—for immigrants, refugees, migrant workers and their children, as well as affirmative action plans to help minority group members. The argument for special programs is that by recognizing ethnic-racial disadvantages and characteristics, we can design programs to overcome discrimination in the past and facilitate the eventual assimilation of these diverse groups into American society.

The paper tested the validity of the argument by reviewing programs for American Indians, on which in 1983 the federal government spent almost \$3 billion. The Bureau of Indian Affairs sponsors educational programs on and off reservations and provides social services, tribal government services, law enforcement, housing, and economic development and employment programs. The Indian Health Service, established in 1954, provides health care to Indians through the country, operating its own hospitals and clinics as well as delivering specialized services by contract. The Department of Agriculture spends money to develop and improve water and waste disposal systems in Indian communities and sponsors the food stamp program administered through tribes. The Office of Education provides a variety of special programs, ranging from compensatory education to financial assistance for school systems with Indian students. What has been the result of these efforts?

Although there have been few careful assessments of the effectiveness of the Indian programs, the paper summarized the available information. Unemployment among reservation Indians remains a severe problem, owing largely to the lack of private sector employment opportunities in these isolated areas, where government is the primary employer. A recent evaluation of the Indiana Health Service found that there has been a dramatic improvement in the health status of Indians since the Service was established, but wide variation exists in their health conditions across the country, and Indians are still less healthy than the U.S. population as a whole. The effectiveness of educational programs is particularly difficult to assess -- bilingual education continues to be controversial, and the evidence on outcomes is not clear. The 1980 census data show that the mean educational level among Indians lies halfway between that of blacks and whites, and that reservation Indians are less well educated than those living off reservations. "The historical experiences of Indians," the paper concluded, "suggests that 'special treatment' has many benefits, but also costs, and that using race/ethnicity to categorize social programs raises questions of racial/ethnic identity that we as a society are ill-prepared to address."

#### Discussion

Russell Thornton (University of Minnesota) emphasized the particular nature of the relationship between Indians and other Americans, shaped by the historical fact that Indians were a colonized indigenous population.

Most of the other American ethnic or racial groups want to be more or less integrated into U.S. society, he said, to be equal and not separated. Indians also want access to American society, but not at the

expense of the Indianness or tribalism. They strive to maintain their distinctive societies and cultures; they want to be separate but equal.

To develop group-specific programs and policies, Thornton stated, requires first ascertaining what the group in question desires as well as what American society desires. And different groups want different things. Moreover, there are variations within groups, especially among Native Americans, which include almost 300 federally recognized tribes. Each tribe has its own history and treaty relationship with the U.S. government and its own goals and objectives. The meaning of "group-specific" is particularly complicated in their case.

Milton Morris (Joint Center for Political Studies) discussed some of the analytical difficulties he found in the paper. The first involved the units of comparison; i.e., what constituted a racial or ethnic group. Sometimes, for example, Hispanics were used as one comparison group, and sometimes Mexicans, Puerto Ricans, and Cubans were treated as separate groups. The second difficulty, which resulted from the first, concerned what constituted a group-specific policy. Immigration policies did not, Morris, believe, qualify as group-specific, even though they might at times have had important effects of Hispanics. Third, the paper did not sufficiently draw out the lessons to be learned from its comparative observations; it did not return at the end to the theme stated at the outset concerning the alleged strain that society feels between its ideal of equality and its practice of treating different groups differently. Finally, Morris felt that the paper did not give adequate attention to the deep differences in the circumstances of blacks and Indians, nor did it sufficiently identify factors that might be common to them.

The group discussion that followed centered on questions stemming from the concept of targeting: (1) Is targeting equivalent to entitlement; if so, what are the implications for policy? (2) Targeting raises issues of federalism, and hence the latitude that states are permitted in administering such targeted federal-state programs as AFDC; analyses of federal-state interaction and its effects on AFDC might prove instructive. (3) In a more philosphical vein, does targeting allow us to avoid considerations of equity and efficiency in public policies?

It was suggested that material from the social experiments might be used to investigate the differences in racial and ethnic responses to the particular policies that were administered. Another suggestion was that analysis of the unintended as well as the intended consequences of group-specific programs would prove instructive, the Bracero program being a case in point.

Paper 9. "Social Policy and Minority Groups: What Might Have Been and What Might We See in the Future?" by William Julius Wilson, University of Chicago.

The final paper was designed to provide historical perspective on, and a prospective look at, social policy toward minorities. Reviewing the onset of the War on Poverty, the author located what he considered a basic flaw in its foundations. Because its strategies were formulated during a period of economic prosperity and expansion, they were predicated on the view that the problem of poverty in American was related not to national economic organization but to the personal characteristics of the poor—the disadvantages resulting from deficient education, poor family background, and racial or ethnic discrimination. The solution therefore seemed to lie in suppressing discriminatory practices and offering programs of compensatory education, job training, and income maintenance.

Just as the architects of the War on Poverty failed to emphasize the relationship between poverty and the broader problems of American economic organization, so too, argued Wilson, have the advocates for minority

rights been slow to comprehend that many of the current problems of race, particularly those that plague the minority poor, derive from the broader processes of social organization and therefore may have no direct or indirect connection with race. Accordingly, given the most comprehensive antipoverty and civil rights programs in the nation's history, the liberals of the Great Society and civil rights movement grew demoralized and could find few satisfactory explanations for such events as the worsening of joblessness among inner-city residents and the remarkable increase in female household headship. Conservative analysts stepped in, offering their own suggestions of ways to change the values and behavior of poor people.

The paper then described two developments from conservative quarters bearing on policy in the 1980s: the emergence of a laissez-faire social philosophy, and revival of interest in workfare. Both reflect the conservative judgment that antipoverty programs failed because they changed the social system of rewards and penalties, making reliance on welfare, voluntary joblessness, and family breakup more acceptable than was true a generation ago. The laissez-faire position, represented by the writings of Charles Murray, holds that public assistance programs should be eliminated to restore the motivation of families and individuals for work and self-sufficiency. A more moderate position, represented by Lawrence Mead and in Wilson's view more potent because more persuasive, is that behavior modification should be required of welfare recipients: beneficiaries should, in return for support, fulfill such normal obligations of citizenship as completing school, working, and obeying the law. Workfare is a key policy recommendation flowing from this position.

Wilson took issue with a major assumption underlying Mead's support for work requirements in return for welfare; namely, that jobs are generally available for persons of disadvantaged backgrounds. Citing evidence gathered by John Kasarda on our changing industrial structure that has transformed the urban economy and on his own studies of the decline of the economic fortunes of black men, the author argued that most of the large cities where poor minority members are concentrated have experienced job losses in industries that have lower educational requirements (such as goods-producing industries) and job gains in the industries that require higher levels of education (information-processing industries). Thus, although a substantial increase in lower-skilled jobs has taken place nationwide, notably in the food and drink industry, those jobs are concentrated in the suburbs and nonmetropolitan areas, out of reach of the poorest minority members, who reside in the ghetto.

Wilson characterized the workfare emphasis of the 1980s as the policy of widest popularity because it incorporates elements of both liberal and conservative positions: it fulfills the caring commitment of liberals by emphasizing education, training, and jobs for those most in need; it satisfies the conservative commitment to reducing welfare dependency and enhancing motivation for self-support. The author found it just as deficient as its precessors, however, because it focuses on the personal

characteristics of aid recipients and fails to take account of the larger economic forces and the position of the disadvantaged population in the United States. "What is really needed is a program that recognizes the dynamic interplay between societal organization and the behavior and life chances of individuals and groups, a program that is designed to both enhance human capital traits of poor minorities and open up the opportunity structure in the broader society and economy to facilitate social mobility" (p. 28). Until we develop a comprehensive and integrated framework that shows how contemporary racial and ethnic problems are often part of a more general set of problems that did not originate or develop in connection with race or ethnicity, Wilson concluded, we will not be able to solve the problem of minorities in poverty.

#### Discussion

Lawrence Mead (New York University) stated that the cross-cutting issue of the conference, as well as of the paper, amounted to the question "Why are the poor working less?" Whereas Wilson emphasized the structure of the economy as the answer to that question, Mead would focus on the permissive nature of welfare policies, which neither set behavioral standards nor make work the reciprocal of benefits.

Mead considered the barriers to work less strong than is often thought, citing the growth of such service jobs as cashiers, medical orderlies, word-processing operators; job development in urban centers; and the decline of pressure from the baby boom generation. He mentioned studies linking unemployment to rapid job turnover and high reservation wages, and he noted that the disadvantaged often say themselves that jobs are available. He also speculated on the role of illegal aliens in accepting low-wage jobs in urban areas, whereas minority members in the inner city apparently do not. The loss of manufacturing jobs in the central cities may be a result of incivility in the ghetto as much as a cause. Mead's reasoning was that, if we consider that jobs are

available, then nonwork is a barrier to progressive change, because only functioning people can demand equality.

Robert Hill (Bureau of Social Science Research) first described the strengths of the paper: its emphasis on the past neglect of macro forces in analyses of minority poverty; its correlation of economic instability with marital instability and the formation of female-headed families; its stress on the need for a holistic approach, integrating the effect of macro-level factors (e.g., inflation, recession, automation) with micro-level factors (e.g., family and individual attitudes and behavior) on the social and economic well-being of minorities.

Hill then enumerated several policy implications that he thought stemmed from Wilson's arguments: (1) since there is no one homogeneous underclass, but several underclasses (e.g., long-term poor aged, exoffenders, welfare recipients, homeless) different strategies are required for different subgroups; (2) while workfare can reduce unemployment by providing greater access to low-wage, poverty-level jobs, it is much less effective in reducing poverty; (3) while we must continue to deal with intentional racism, we must also focus on remedies for tackling structural economic problems -- remedies such as recent changes in the Earned Income Tax Credit to aid the working poor; (4) serious consideration should be given to expanding the AFDC-Unemployed Parent program for poor two-parent families to all fifty states; (5) we need to radically change current foster care policies that contribute to the growth of the underclass by keeping minority children in limbo by denying AFDC-Foster Care benefits to relatives; (6) more research is needed to better understand the impact of the Targeted Jobs Tax Credit for members of various minority groups.

Sar Levitan (Center for Social Policy Studies, George Washington University) first took issue with the conference's concentration on the differences between minorities and whites, differences which he considered not so important as they might appear: policies to help the poor in general are not specific to groups, he asserted.

Levitan suggested that Wilson's paper placed excessive emphasis on demand factors; both supply and demand must be taken into consideration. Workfare, he stated, could in fact prove beneficial, as the Massachusetts Employment and Training Choices program seems to be demonstrating. Wilson's point was that workfare is not a long-term solution because it focuses on low-wage jobs, but if work and welfare are combined, the long-range results may be better than Wilson would predict.

Levitan argued that workfare will do little to reduce poverty unless it is part of a broader strategy, including: (1) strong civil rights legislation and enforcement; (2) stress on basic educational skills, not just on special skill training; (3) an increase in the minimum wage; (4) continued use of the Earned Income Tax Credit to help the working poor; (5) more effective use of the Targeted Jobs Tax Credit; (6) job creation.

Wilson responded to the discussants' comments, agreeing with many of the points made by Hill and Levitan, but taking issue with several of those made by Mead. We have some evidence, he stated, that job unavailability, rather than lack of acceptance of jobs, is the essential problem: Kasarda's study, for example [cited in the paper], indicated that New York City is losing the jobs that require less than a high school education and that the service jobs cited by Mead are not in the inner cities but in outlying areas. Studies that have discredited the

spatial-mismatch theory have failed to confront the severe problem of the social isolation of minority neighborhoods. The main point is that we have not yet accumulated or made good use of the kinds of data needed to test the alternative hypotheses being offered as explanations for minority joblessness and its consequences. We need ethnographic studies and longitudinal analyses, including event-history studies, to show how job opportunities and responses to them have changed. In the 1970s we failed to conduct the kind of research required to address Mead's assertions, and as a result we now lack the information we need concerning the world of work. Wilson hoped that new studies being formulated or already under way will help fill that informational gap.

"Rapporteur's Remarks," by Eugene Smolensky, University of Wisconsin-Madison.

#### Smolensky offered three talking points:

- 1. The conjecture underlying the conference—that comparing and contrasting the experiences of disadvantaged ethnic and racial groups would prove informative—was not consistently addressed. With the exception of the Tienda and Sandefur papers, the comparative approach had not been pushed very far. This implied rejection might, Smolensky speculated, indicate that "minority" was not found to be a very useful classification.
- 2. One recurrent theme he had discerned was that of minority bifurcation—increased variance within and between groups. This emphasis on variance was linked in some papers with use of the term "underclass" to refer to those of lowest status. Smolensky objected to this practice, on two grounds. First, use of the term may merely mask the obvious—that some people are making it and some aren't; that the smartest and most energetic succeed first. Second, the term cannot accurately be used to describe findings from cross—sectional data. Those data describe conditions at particular points in time and cannot tell us how or why the people so observed entered those conditions or what the personal consequences for them will be. Only studies of the same people over a number of years, preferably from one generation to the next, can justify identification of an "underclass."

3. A second theme perhaps could be phrased as follows: The demand side of the labor market for men has equal standing, as a proximate cause of poverty, with the personal characteristics of never-married women with children. This connection between male earnings and the marriage market as a main cause of poverty might in some way, Smolensky thought, flow from the first point: that is, the goal of comparing and constrasting disadvantaged groups had collapsed into generalizations from, or simply descriptions of, the black experience. Plausible conjectures have been constructed concerning that experience, but we do not yet have sound knowledge to guide us to firm conclusions.

Smolensky concluded by urging the authors to return home and give thought to minorities (however defined) and poverty (however defined) without regard to CPS or census classifications or data, and from that thought to construct culturally specific expectations of what they might find if they had perfect data. They would then be in a position to make the best use possible of the data at hand.

#### Discussion

One participant amplified Smolensky's point about the theme of bifurcation, noting that the papers had demonstrated growing differences in economic status between reservation and non-reservation Indians, the deteriorating circumstances of Puerto Ricans but not other Hispanics, the growth of a black middle class and a smaller black affluent class, leaving behind the black poor. Among Asians one might find the same sort of bifurcation between, for example, the Japanese on one hand and the Vietnamese or Laotians on the other. To understand this bifurcation better, the discussant stated, we need more studies of dynamics and less aggregation within groups.

The problems faced by minority youth in the central city were the subject of discussion. One participant stressed the ineffectiveness of the educational system in the inner city; another said it was fruitless to discuss the issue of jobs for the disadvantaged when the basic problem was that there were no jobs. Wilson responded that jobs are in fact

increasing, not declining, but that job growth in cities was mainly within the high-wage sector; the jobs for which minority urban youth might qualify were located in outlying areas.

A member of the audience emphasized that workfare, work relief, and guaranteed jobs are valid public policies, since public opinion supports the individual's right to work. This is the area of common ground in America, he stated, and it is on this ground that Mead and Wilson's thinking converges.

#### Closure

The conference closed with discussion of the relationship of academic study to practical policy. A policy practitioner asserted that the timing often seems to be wrong: the results of scholarly studies seem to come too late or too soon (or not at all) to play a role in policymaking. The response from one of the scholarly analysts was that, for the purposes of policy, what we have is a set of accumulated wisdom. Academic studies must follow their own rhythms and timing, not the schedules of politicians, administrators, or those concerned with immediate delivery of social services. But over time a body of knowledge accumulates and becomes a resource on which to draw for answers to the urgent questions of the day. The conference, it was hoped, had contributed in some measure to that knowledge.

#### Appendix

## Conference Participants and Attendees

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