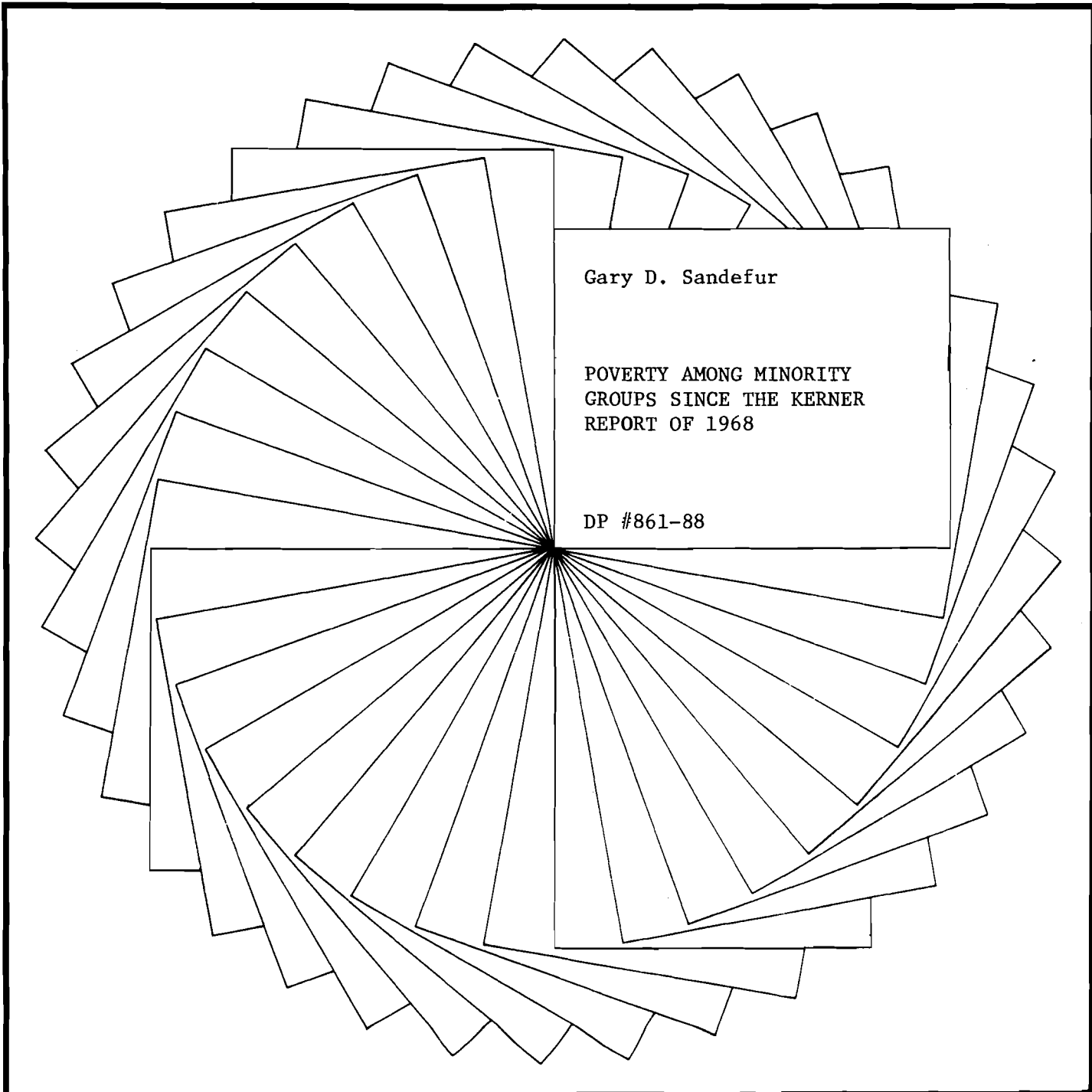




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GROUPS SINCE THE KERNER
REPORT OF 1968

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Poverty among Minority Groups since the Kerner Report of 1968

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Abstract

This paper examines trends in poverty among minority-group members since 1968 and policies that have been suggested for fighting poverty. The evidence on minority poverty shows that the prevalence of poverty has decreased among both minority and white elderly, but has increased among minority and white children since 1968. Poverty rates remain much higher for persons in families with single female heads than for the general population, and much higher for black, Hispanic, and American Indian persons than for white persons. Research on the effectiveness of policies indicates that a number of programs, some of which have been abandoned or fallen into political disfavor, are successful in improving the economic situation of minority-group members. These include public service employment, job training, affirmative action, and community health centers.

Poverty among Minority Groups since the Kerner Report of 1968

The purpose of the Kerner Commission was not specifically to examine poverty among urban blacks, but to examine circumstances behind the riots that had broken out in major urban areas of the United States in the late 1960s. In his charge to the Kerner Commission, President Johnson stated: "We need to know the answers to three questions about these riots: (1) What happened? (2) Why did it happen? and, (3) What can be done to prevent it from happening again?" As part of the examination of questions (2) and (3), the Commission examined the prevalence, causes, and possible solutions to poverty in urban areas, especially among central-city blacks.

Among the Commission's conclusions was that the segregation and poverty of black ghettos were two of the major forces leading to riots and other forms of violence. The Commission's report carefully documented the extent of poverty in urban areas. Using 1964 data from the Social Security Administration, the Commission reported that 30.7% of nonwhite families and 8.8% of white families were below the poverty line. Further, 43.6% of the poor in central cities were nonwhite and 26% of nonwhite families in central cities had female heads. Among female-headed families, the prevalence of poverty was twice as high as among male-headed families, and 81% of children under six living in nonwhite, female-headed families were poor. It is frustrating and saddening that these comparisons of blacks and whites and the relatively poor situation of inner-city blacks continue to be true in contemporary American society.

The purpose of this paper is to examine briefly the current situation of poor minorities in the inner city and in the United States in general

in light of the findings and recommendations of the Kerner Commission, which were published twenty years ago. I first review the Commission's findings and conclusions about poverty among minority groups in urban areas. I then examine changes in the level of poverty and developments in social policy since the report of the Commission was issued in 1968.

POVERTY IN URBAN AREAS IN THE 1960S AS VIEWED BY THE KERNER COMMISSION

The Commission documented a sad and serious picture of poverty and disadvantage in the central cities of the major metropolitan areas in the United States. This assessment was balanced, however, by the Commission's report of the gains that blacks had made during the 1960s. Relying on a report by the Departments of Labor and Commerce, the Commission reported that the incomes of blacks and whites were rising, the size of the black upper-income group was expanding rapidly, and the size of the lowest-income group had grown smaller. There remained, on the other hand, a considerable group of blacks who did not appear to be benefiting from economic gains, including a group of 2 million "hard core disadvantaged" in central cities. Black unemployment rates were double those of whites, and the most disadvantaged working blacks were concentrated in the least desirable and rewarding jobs. The Commission stated that "in disadvantaged areas, employment conditions for blacks are in a chronic state of crisis" (National Advisory Commission, 1968, p. 237). These contradictory and complex themes of progress by some blacks contrasted with hopelessness and despair for others continue to be reflected in contemporary discussions of disadvantage and poverty. For example, in The Declining Significance of Race William Julius Wilson (1978) argued

that some blacks were benefiting from the growing openness of American society while others were being left behind. He develops this theme further in his recent book, The Truly Disadvantaged (1987).

The Commission attempted to assess the causes and consequences of poverty among central-city blacks. Again, its conclusions continue to be reflected in contemporary discussions of the problems in central cities. The Commission reported that "a close correlation exists between the number of nonwhite married women separated from their husbands each year and the unemployment rate among nonwhite males 20 years old and over," and "the proportion of fatherless families appears to be increasing in the poorest Negro neighborhoods" (p. 260). Recent analysts have focused on black unemployment as a major factor in the high incidence of black female headship (see, for example, Wilson, 1987). The Commission identified changes in the American economy accompanied by decreases in the demand for unskilled labor in central cities as major factors in producing black unemployment. This theme is also reflected in the recent work of Wilson and others (see, for example, Kasarda, 1986).

Based on its assessment of the causes and consequences of poverty among inner-city blacks, the Commission concluded that the nation was moving rapidly toward two increasingly separate Americas and that immediate and long-term actions should be taken to prevent this from happening. The Commission suggested a number of policy changes, which I will review later.

POVERTY IN THE CENTRAL CITY AND AMONG MINORITY-GROUP MEMBERS SINCE 1968

Since the late 1960s the number of poor people living in the central city has increased dramatically, as has the proportion of the central-city population that is poor. Wilson (1987) reports that in 1969 12.7% (8 million) of the central-city population was poor, whereas 19.9% (12.7 million) of this population was poor in 1982. In 1985, 19% (14.2 million) of the central-city population was poor (U.S. Bureau of the Census, 1987). Wilson attributes this increase in both the prevalence of poverty and the numbers of inner-city poor to changes that have taken place in the economies of metropolitan areas. In the past there were jobs in central cities for individuals with no skills and little education, but jobs are no longer available there. Further, individuals with skills and education have fled the ghetto, so that the central-city population is disproportionately young, uneducated, unskilled, and in financial straits. The lack of a middle class in the central cities has led to the social isolation of those lower-class individuals who have been left behind. Their social isolation leads to inadequate ties to the job market and generates behavior that is not conducive to good work histories.

The focus of the Kerner Commission and Wilson's work, conditions in the central cities, can be better interpreted when viewed in light of trends in poverty in general. Poverty rates are actually higher now than in 1968 for a number of groups. Table 1 contains poverty rates for 1959, 1969, 1979, and 1985 for selected population groups. These statistics indicate that we made dramatic progress in reducing poverty during the 1960s among all sectors of the population represented in the table, but

Table 1: Percentage of Selected Population Groups with Incomes below the Poverty Line, Selected Years, 1959-1985

GROUP	1959	1969	1979	1985
A. Persons				
White	18.1	9.5	9.0	11.4
Black	55.1	32.2	31.0	31.3
Hispanic	NA	NA	21.8	29.0
Native American	NA	38.3	27.5	NA
B. Persons in families with female householders				
White	40.2	29.1	25.2	29.8
Black	70.6	58.2	53.1	53.2
Hispanic	NA	NA	51.2	55.7
Native American	NA	63.5	46.4	NA
C. Related children under 18 in families^a				
White	20.6	9.7	11.4	15.6
Black	65.6	39.6	40.8	43.1
Hispanic	NA	NA	27.7	39.6
Native American	NA	44.9	32.2	NA
D. Persons 65 and over				
White	33.1	23.3	13.3	11.0
Black	62.5	50.2	36.2	31.5
Hispanic	NA	NA	26.8	23.9
Native American	NA	50.8	32.1	NA

Source: U. S. Bureau of the Census, Poverty in the United States: 1985, Tables 1 and 2; U. S. Bureau of the Census, 1980 Census: General Social and Economic Characteristics, Table 129; U.S. Bureau of the Census, 1970 Census: American Indians; U.S. Bureau of the Census, 1970 Census: Low Income Population.

^aRefers to children living in families in which they are related to the householder.

NA: Data not available.

little or no progress since the report of the Kerner Commission. These findings are supported by other analyses of income and poverty. Tienda and Jensen (1988) found that real family incomes increased markedly for blacks, Mexicans, Puerto Ricans, other Hispanics, American Indians, and whites during the 1960s and increased somewhat for most groups during the 1970s, but declined during the early 1980s. Most observers attribute many of the gains during the 1960s to the sustained economic growth of that period, whereas the failure to make much progress in the fight against poverty during the 1970s and 1980s is attributed to faltering economic growth, rising inflation, and a string of recessions that have marked the most recent period in our history.

This general trend, however, obscures the differences in the experiences of the population groups represented in the table. The percentages shown for persons (Panel A) indicate that the poverty rate of whites was about 20% higher in 1985 than in 1969. The poverty rate of blacks was basically the same in both years. The Bureau of the Census did not begin to publish statistics on Hispanics until after 1969, so we cannot compare the Hispanic poverty rate in the two years. However, the poverty rate for Hispanics did increase 33% between 1979 and 1985. Also, the poverty rate varies across Hispanic groups. Forty-three percent of Puerto Ricans, 29% of Mexicans, and 22% of other Hispanics had incomes below the poverty line in 1985.¹ Because the Current Population Surveys do not include enough American Indians to permit analyses of this group, we do not know the poverty rate for Indians in 1985. The poverty rate for Indians did drop between 1969 and 1979. However, the poverty rate for Indians who lived in traditional Indian areas and on reservations was

above the national black poverty rate in 1979² (Sandefur and Sakamoto, 1988).

Panel B shows that the poverty rate for white persons in families with female householders changed little between 1969 and 1985, whereas the poverty rate for black persons in such households actually dropped. Although gaps in the data prevent us from comparing poverty rates in 1969 and 1985 for Hispanics and American Indians, our most recent data for each group indicate that the poverty rate among persons living in families with female householders is considerably higher than that for all persons. A recent analysis by Smith (1988), using a somewhat different income definition of the poor, shows that the poverty gap between female-headed families and intact families was considerably higher in 1980 than in 1940. This suggests, as many scholars have noted, that the problems of these persons (both the female householders and their children) deserve special attention.

The next panel contains information on children who are related to the householder through blood, marriage, or adoption. In 1985, 99% of black and white children under 18 were in this category. These statistics are perhaps the most depressing in Table 1, because they indicate that the prevalence of poverty among this group has increased since 1969. Among white children, the poverty rate increased by over 60% between 1969 and 1985. The poverty rate did not increase as much for black children, but remained at almost three times the rate for white children in 1985. The poverty rate among Hispanic children increased by over 40% between 1979 and 1985. This suggests that children are another population group that deserves special attention in the future fight against poverty.

As Smith (1988) points out, the fate of children and female-headed families are interconnected. In 1985, for example, children in female-headed families accounted for 54% of poor children but only 20% of all children (U.S. Bureau of the Census, 1987, Table 4, p. 21). Among blacks, approximately 50% of children lived in female-headed families; over 75% of poor black children lived in such families (U.S. Bureau of the Census, 1987, Table 4, p. 22).

In Table 1 it is only among the elderly that we see consistent progress throughout the period. The poverty rate among the white elderly in 1985 was less than half of what it was in 1969, and the poverty rate among the black elderly was less than two-thirds of its 1969 level. A number of researchers have examined these diverse trends in society's treatment of the elderly and children (see, for example, Smolensky, Danziger, and Gottschalk, 1988). At least part of the reason has to do with differences in social policy and programs that affect the elderly and those that affect children. For example, social security benefits have been indexed to inflation for some time. This automatically protects the elderly against inflation. AFDC benefits and the wages of most young working parents, on the other hand, are not so indexed. Since these programs are of great importance to low-income children, those children have not been protected from inflation.

Poverty Rates Adjusted for Noncash Benefits

The figures in Table 1 provide some indication of the amount of cash income that different population groups have available to them. The figures do not, however, give any indication of the effects of noncash

benefits and resources on the lives of these groups. Those effects are important, since most of the increases in assistance have been in the noncash benefit programs (food stamps, school lunches, public housing, Medicaid, Medicare). For example, in real values means-tested cash assistance (AFDC, general assistance, Supplemental Security Income, and means-tested veterans' pensions) rose from \$17.8 billion in 1965 to \$27.6 billion in 1983, an increase of 55%. The market value of noncash benefits, on the other hand, rose from \$6 billion in 1965 to \$106 billion in 1983, an increase of over 1600% (U.S. Bureau of the Census, 1984; figures reported here are in 1983 dollars). An unfortunate feature of official poverty statistics is that they do not take into account the effects of these noncash benefits.

The Bureau of the Census in the 1980s has begun to produce a series of reports on poverty status adjusting for the value of noncash benefits (Estimates of Poverty Including the Value of Noncash Benefits). Using the most generous definition of the value of noncash benefits (the market value), one finds that the poverty rate for all persons in 1983 would be reduced from 15.2 to 10.2%, a decrease of 33%. The poverty rate for children under 6 goes from 25.0 to 18.2% after such adjustment, a decrease of 28%, while the poverty rate for the elderly goes from 14.1 to 3.3%, a decrease of over 70%. This reflects the larger expenditures on Medicare (\$56 billion in 1983) than on all other noncash transfer programs combined. Further, the adjusted poverty rate for white persons in 1983 is 8.6%, slightly less than the unadjusted poverty rate for white persons in 1969. The adjusted poverty rate for black persons in 1983 is 21.2%, considerably lower than their unadjusted poverty rate in 1969 (32.2%).

The greater effect of the in-kind transfer programs for black (and also Hispanic) persons is due to the lower incomes of minority-group members, leading to a stronger likelihood of eligibility for noncash transfer programs.

There is a great deal of controversy involved in measuring the value and impact of noncash transfers on well-being and poverty. The scope of this paper does not allow time for exploring this debate. However, it is important not to forget that our policy choices since 1969 have been to put our resources into noncash transfers, and our official statistics do not take into account the effects of these transfers on poverty. I think the appropriate attitude to take is to be disturbed at the official statistics, but not to forget that our noncash transfer programs have expanded and the official statistics do not take the benefits of these programs into account.

Poverty Outside the Nation's Central Cities

Although the Kerner Commission and much recent work on minority poverty has concentrated on urban areas, especially central cities or smaller areas within central cities, the poverty rate in nonmetropolitan areas remains quite high as well. Table 2 contains the percentage of selected population groups that were below the poverty line in 1985 in metropolitan and nonmetropolitan areas. The poverty rates for all persons in each of the racial/ethnic groups are higher in nonmetropolitan areas than in either central cities or metropolitan areas outside the central city. Among blacks, the percentage below the poverty line is actually

Table 2: Percentage of Individuals below the Poverty Line in Metropolitan and Nonmetropolitan Areas, 1985

	Metro: Outside Central Cities	Metro: Central Cities	Nonmetro	Total
All Persons				
White	7.4	14.9	15.6	11.4
Black	21.7	32.1	42.6	31.3
Mexican	NA	30.7	38.7	28.8
Puerto Rican	NA	49.4	NA	43.3
Persons in Families with Female Householders				
White	20.4	37.8	35.5	29.8
Black	43.3	53.6	63.9	53.2
Mexican	NA	51.8	61.2	47.3
Puerto Rican	NA	74.7	NA	73.1
Related Children Under 18 in Families				
White	9.8	23.6	19.4	15.6
Black	31.6	45.5	51.4	43.1
Mexican	NA	21.1	45.1	37.4
Puerto Rican	NA	16.9	NA	58.6
Persons 65 and Over				
White	7.9	11.6	15.1	11.0
Black	25.7	27.0	47.8	31.3
Mexican	NA	28.1	NA	23.4
Puerto Rican	NA	NA	NA	39.2

Source: U.S. Bureau of the Census, Poverty in the United States: 1985, Table 6, pp.27-34, and Table 12, pp. 69-71.

about one-third higher in nonmetropolitan areas than in metropolitan areas.

The figures for persons in female-headed families indicate that among whites, the prevalence of poverty in 1985 was slightly higher in central cities than in nonmetropolitan areas. For both blacks and Mexicans, however, the rates in this category are higher in nonmetropolitan areas than in central cities.

The poverty rate for white children under 18 living in families in which they are related to the head is higher in central cities than in nonmetropolitan areas. Again, this is not the case for blacks and Mexicans. Over half of black children in nonmetropolitan areas were in families with incomes that placed them below the poverty line.

For both blacks and whites, the poverty rate of persons 65 and over was higher in nonmetropolitan areas than in central cities. Almost half of black persons 65 and over in nonmetropolitan areas lived in families with incomes below the poverty line.

The point of this comparison is not that the problems of the central cities have been exaggerated or that our attention should be focused on nonmetropolitan areas. Rather, the point is that to focus exclusively on central cities ignores other locations in which poverty is also a serious problem: rural areas. Further, for American Indians there is a subset of nonmetropolitan areas where the poverty rate is extraordinarily high--the reservations, where in 1980 44.8% of the population was below the poverty line (U.S. Bureau of the Census, 1985). Focusing on what central cities, nonmetropolitan areas, and reservations have in common can perhaps tell us more about the causes of poverty than focusing exclusively on central

cities, even though more of the poor live in central cities than in nonmetropolitan areas.

ATTEMPTS TO FIGHT POVERTY SINCE THE KERNER REPORT

The Kerner Commission made a number of recommendations about how to fight poverty and disadvantage in the central cities of urban areas. Some of these recommendations were implemented, others were not. Since 1968, a number of other analyses of poverty have offered their suggestions for dealing with these problems. Table 3 contains the recommendations of three separate analyses of poverty: the Kerner Commission (1968), the Working Seminar on Family and American Welfare Policy (1987), and William Julius Wilson (1987). This section of the paper compares these three sets of recommendations and examines the evidence regarding their effectiveness and viability. Employment, education, welfare policy, and health are the areas discussed.

Employment

Both the Kerner Commission and Wilson placed a great deal of emphasis on economic growth and the creation of private sector jobs. To this general recommendation, Wilson adds the idea that the United States needs to increase its competitiveness in the world economy, thereby preventing the loss of jobs to other countries. The fact that the 1960s marked the period during which most of the gains against poverty were made suggests that economic growth is one of, if not the most, important strategies for fighting poverty. Unfortunately, it has also turned out to be one of the most difficult aims to achieve. As Gramlich (1986, p. 343) points out:

Table 3: Alternative Proposals for Dealing with Poverty in Urban Areas

	Kerner Commission (1968)	Working Seminar (1987)	Wilson (1987)
A. Employment	<ol style="list-style-type: none"> 1. Economic growth 2. Public jobs 3. Training 4. Child care 5. Recruit minorities 	<ol style="list-style-type: none"> 1. Require people to work 	<ol style="list-style-type: none"> 1. Economic growth 2. Increase competitiveness 3. Training 4. Child care 5. Relocation assistance
B. Education	<ol style="list-style-type: none"> 1. Eliminate segregation 2. Ensure quality education in ghetto 3. Improved community-school relations 4. Expanded opportunities for higher education 	<ol style="list-style-type: none"> 1. Role of families and churches 2. Schools should impose high standards 	
C. Welfare	<ol style="list-style-type: none"> 1. Uniform national level of assistance 2. Long-term: guaranteed Income 3. Child care 	<ol style="list-style-type: none"> 1. Work requirements 2. Transitional cash benefits 3. Tax breaks for low-wage earners 4. Allow state and local innovation 	<ol style="list-style-type: none"> 1. Standard AFDC benefit adjusted for inflation 2. Child support assurance program 3. Family allowance 4. Child care
D. Health	<ol style="list-style-type: none"> 1. Discussion of health problems 	<ol style="list-style-type: none"> 1. Cited lack of insurance 	

"The frustrations involved in economists' search to find ways of stimulating employment are immense and long-standing. . . .vigorous booms cannot be created." Another side of this, as Gramlich notes, is that recessions are disastrous for the poor and the near poor, and are to be avoided to the extent that we can do so.

The Kerner Commission called for the creation of public jobs to supplement new and existing jobs in the private sector. The decade of the 1970s was a period in which a number of different approaches to creating employment were undertaken. Some programs were designed to combat structural unemployment, i.e., unemployment among those who were never employed or who had been displaced by changes in local economies. Others were designed to combat cyclical unemployment--that due to the recessions of the 1970s.

Described by Bassi and Ashenfelter (1986), the programs of the mid-1960s and early 1970s (e.g., Job Corps, Neighborhood Youth Corps, and Operation Mainstream) were targeted at minorities, welfare recipients, low-income youth, the elderly, and other hard-to-employ groups. The recession of 1970-71 shifted attention from the long-term employability problems of the disadvantaged to the problems of the cyclically unemployed. Although the original version of the Comprehensive Employment and Training Act (CETA) in 1973 focused on training, the deep recession of 1974-75 produced a new emphasis on public service employment. The 1978 version of CETA reduced the role of public service employment, and in 1982 the Job Training Partnership Act (JTPA) replaced CETA. JTPA has no funds for public service employment.

The evidence on the effectiveness of public sector employment is summarized in Bassi and Ashenfelter (1986). It is important to realize that a very small proportion of the disadvantaged participated in employment and training programs. The findings indicated that the individuals who benefited most from participation in CEET (in the training or employment components) were the most disadvantaged with the least amount of previous labor market experience. Further, women benefited more from participation in CEET than men; in fact, participation in CEET did not appear to result in post program gains in earnings for men at all. This is apparently due to the fact that the major effect of participation is to increase hours worked rather than to increase the wage earned. Although there appear to be real gains to the disadvantaged from public sector employment programs, it is important to balance these effects against the possible loss of jobs to nondisadvantaged individuals--a substitution or displacement effect. Bassi and Ashenfelter report that both structural and countercyclical employment programs resulted in some substitution, with countercyclical programs resulting in more substitution. They point out that "programs that have high substitution rates (and are, therefore, popular with local governments) are unpopular with unions" (Bassi and Ashenfelter, 1986, p. 149).

Both the Kerner Commission and Wilson called for additional support of training programs for the disadvantaged. Again, the evidence suggests that the training programs of the late 1960s and 1970s were effective in increasing the post program earnings of the most disadvantaged participants. Bassi and Ashenfelter (1986, p. 149) conclude: "There is some indication that programs providing intensive (and expensive)

investment in each participant, such as the Job Corps and the Supported Work Demonstration, have, at least for some groups of the disadvantaged, more than paid for themselves from a society-wide point of view."

Although the lack of program effects among men must be seen as discouraging, the empirical evidence provides support for training targeted at disadvantaged and low-skilled individuals.

Both the Kerner Commission and Wilson called for improvements in the availability and quality of child care. The lack of adequate child care was recognized as a barrier to employment by the more conservative Working Seminar. Unfortunately, few people have offered concrete suggestions concerning how to improve the availability and quality of child care. The general liberal position seems to be that if we were to increase the availability of low-skilled jobs and child care, many people, especially women on AFDC, would be able to escape from poverty and leave the public assistance rolls. Few have given much thought to how much this combined effort would cost. Gramlich (1986) suggests that the cost of increasing the availability of jobs and child care to enable (or compel) AFDC recipients to work would be roughly twice the cost of the existing AFDC program.

Both the Kerner Commission and Wilson were concerned with minority access to jobs. They differed in identifying the cause of access, which resulted in quite different suggestions about how to improve it. The Commission perceived a great deal of discrimination and racism in the labor market and felt that increased efforts to recruit minorities for public sector and private sector positions were needed to overcome these barriers. Wilson, on the other hand, felt that the old barriers due to

skin color were no longer the major problem. In his view, the social and physical isolation of urban blacks must be attacked.

Since the report of the Kerner Commission, the rules and guidelines of affirmative action have been used in an attempt to increase the employment of minorities and women in jobs and organizations where they have been historically underrepresented. Although affirmative action has been widely attacked from both the right and left, the evidence indicates that it was successful in meeting its limited goal: the employment of minorities and women. Leonard (1984, 1985) has carefully examined the evidence on the implementation and outcomes. Both he and the General Accounting Office (GAO) report that affirmative action has been poorly implemented. This has not, however, prevented it from improving the representation of minorities in firms that receive government contracts and in firms that must file reports with the Equal Employment Opportunity Commission (EEOC). Affirmative action has not, on the other hand, led to sustained wage growth among minority-group members (Smith and Welch, 1986).

Wilson has downplayed the importance of affirmative action. This seems to be due in part to his view that it does not deal with the problems of the most disadvantaged and in part to his view that in order to deal with the problems of disadvantaged urban blacks, we must develop universal programs that enjoy the support and commitment of a broad constituency. He does state, however, that "this would certainly not mean the abandonment of race-specific policies that embody either the principle of equality of individual rights or that of group rights" (Wilson, 1987, p. 124).

The evidence does indicate that affirmative action has been most beneficial to young, educated minority-group members (Smith and Welch, 1986). Wilson believes that we should emphasize programs that help the poor take advantage of jobs in the private sector. This would include both relocation assistance and transitional employment benefits, i.e., the government would provide assistance to help urban blacks relocate to where jobs were and provide benefits until they became established.

For those who are interested in the viability of relocation assistance, there is both a precedent for and evidence about the effectiveness of relocation. Beginning in the early 1950s and continuing into the 1980s, the federal government provided assistance to American Indians to relocate from reservations and depressed rural areas to urban areas where jobs were more plentiful. A number of urban areas were selected as relocation centers, and many Indians relocated over the years. Although these programs were very controversial, an analysis sponsored by the Brookings Institution (Sorkin, 1972) showed that relocation was beneficial to a number of American Indians, i.e., they were better off than individuals with similar characteristics who remained on reservations. Relocation was detrimental in many ways as well, since it disrupted the family and community ties on which Indians have traditionally relied.

Education

Both the Kerner Commission and the Working Seminar placed a great deal of emphasis on schools and education as possible solutions to the problems of the poor. Wilson, on the other hand, mentions education only

in passing, and makes no specific proposals for improving education and educational opportunities. As one would expect, the proposals of the Kerner Commission and the Working Seminar are quite different. The former suggested that efforts be made to eliminate segregation, ensure quality education in the inner city, improve community-school relations, and expand opportunities for higher education. The Working Seminar, on the other hand, suggested that families and churches should be more involved in the socialization and education of children, and that schools should impose high standards on all students.

There is still a great deal of controversy over whether school desegregation benefits black children. Glazer (1986) reports that studies of the effects of school desegregation indicate that the educational benefits for black children are quite small. Jencks (1986) argues that the finding of small effects is partly due to the fact that the studies almost always focus on the first year of desegregation, and that studies that look beyond the first year find educational benefits at least as large as those from Head Start and Title I.

The evidence regarding efforts to improve education for minority and disadvantaged children is also conflicting. Glazer (1986) argues that research results indicate that preschool and elementary programs are more effective than high school programs. In his view, this justifies an emphasis on the former programs. Jencks finds the evidence unconvincing. He states: "All in all, the cumulative record of twenty years of research on these issues is not terribly impressive, primarily because federal agencies have seldom sponsored the kinds of long-term studies we would need to answer such questions" (Jencks, 1986, p. 179).

Both the Kerner Commission and the Working Seminar emphasized the importance of community involvement in the schools. We know even less about the effects of community involvement on test scores than we know about the effects of desegregation and compensatory educational programs. We do know that one effect of bilingual educational programs and special educational programs for Indian students has been to increase the involvement of Hispanic and Indian parents in the public schools (Sandefur, 1988). Most observers assume that this will lead to improvements in the educational achievement of the children.

The Working Seminar also emphasized the importance of high standards in the public schools. Bell (1984) is another observer who has argued that the successful schools are those with "strong" principals and good community-school relations. The evidence on the success of such schools is largely anecdotal, however, and we have no firm empirical evidence to show that we can improve educational performance by simply imposing high standards.

Although the Kerner Commission put a good deal of emphasis on expanding higher educational opportunities, neither the Working Seminar nor Wilson have devoted systematic attention to this issue. Both seem to see higher education as beyond the grasp of the most disadvantaged, and thus not a potential solution to their problems. During the late 1960s and early 1970s, a great deal of emphasis was placed on expanding higher educational opportunities. The political climate since the late 1970s has not supported sustained investment in scholarships and financial aid. There is some evidence that these cutbacks have had a deleterious effect

on the college attendance of disadvantaged youngsters (Hauser, 1987a, 1987b)³.

Social Welfare Policy

Although the underlying aim of all three sets of proposals reviewed here was to reduce the need for welfare through increasing the human capital and job opportunities for disadvantaged individuals, each set also contained some recommendations about the social welfare system. The Kerner Commission recommended that a uniform national level of assistance be established, and that this assistance be financed completely at the federal level. This temporary measure was to be followed by the implementation of a guaranteed income or negative income tax.⁴ Wilson made a similar suggestion, although his proposal was more narrow: establishing a national standard AFDC benefit that would be adjusted yearly for inflation. In addition, Wilson advocated the development of a national Child Support Assurance Program, such as the Wisconsin child support experiment designed by Irwin Garfinkel and colleagues at the Institute for Research on Poverty, through which the absent parents of children would be required to pay child support. Uniform awards would be paid for by the absent parent, with government supplementation if necessary. Wilson also advocated the development of a family allowance such as that provided in some western European countries.

The welfare reform proposals of the Working Seminar are much different from those of the Kerner Commission and Wilson. The major emphasis of the Seminar was on work requirements and sanctions. That is, it argues that all individuals who receive welfare and who are able to

work should be required to do so; those who refuse to do so should be sanctioned through withholding benefits. Cash assistance should be viewed as "transitional" in most cases, i.e., every effort should be made to get people off this assistance.

The Working Seminar also differed from the Kerner Commission and Wilson in its views of federal vs. local control of welfare policy. Although the Working Seminar saw some utility in federally set benefit levels, its members felt that it was preferable to allow states and local governments to experiment and innovate with programs and benefit levels. Finally, the Working Seminar argued that low-income workers should be treated better by the tax system than they presently are, a view that is shared by many other analysts (see, for example, Danziger, 1988). In sum, the Working Seminar felt that work should be required and rewarded and that failure to work should be sanctioned.

These three proposals, as well as others, to reform social welfare policy strike a responsive cord in most Americans who feel the current system is inefficient and ineffective, if not downright harmful. Few scholars have taken a serious look at what aspects of the current system seem worth retaining, what aspects should be modified, and what aspects should be completely discarded. Those that have done so suggest that there are some features of the current welfare system that are worth retaining. Danziger, Haveman, and Plotnick (1986, p. 74) argue that "the income support strategy of the past two decades has worked. Providing cash and in-kind transfers has reduced the extent of both poverty and income disparities across age and racial groups." In regard to state and local experimentation, Ellwood and Summers (1986, p. 97) conclude that

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"we have been engaged in an experiment over the past ten years. This experiment has been carried out at the expense of single mothers, and its results can be judged a failure. We have cut back AFDC benefits considerably. There has been no noticeable effect on family structure or work. We can be sure, however, that its impact on the well-being of single mothers was noticed by the families. We have also conducted an experiment in allowing benefits to vary across states for years. Here, too, there is little evidence that these differences had any noticeable effect on work or family structure."

These two authors also argue that there is no evidence that government transfer policies are responsible for the low rates of labor force participation by black youth.

Health

The Kerner Commission pointed to the poor health conditions in the central cities, but made no specific recommendations for dealing with them. The Working Seminar pointed out that lack of health insurance among low-wage earners was a problem, but suggested no specific programs for dealing with this problem. There is a considerable amount of evidence concerning the health problems of minority-group members in the United States. Nickens (1986) recently summarized some of the major health problems facing minority-group members in the United States. First, black mortality rates are substantially worse, and Hispanic and Native American rates are somewhat worse, than those of whites. Second, minorities are less likely than whites to have health insurance and more likely to have other problems in gaining access to health care. Part of the access

problems faced by minorities are also faced by low-income whites (Starr, 1986).

Starr (1986) argues that insurance coverage should be provided to everyone, and that the costs of doing so are not prohibitive. He also argues that one of the programs developed in the late 1960s, community health centers, offers a good approach for improving access among the urban poor. Evidence cited by Starr and provided by Okada and Wan (1980) indicated that these centers provided better health care at lower costs to those in the central city than did other arrangements. Clinics operated by the Indian Health Service or individual tribes on Indian reservations have also had a good record of improving health care delivery to this group (Sandefur, 1988). Consequently, a combination of health insurance and community health centers in disadvantaged areas would be a good way to improve the health of minority-group members and low-income whites.

SUMMARY AND CONCLUSIONS

The Kerner Commission, the Working Seminar, and Wilson have concentrated on urban areas. The reasons for this are clear in the case of the Kerner Commission, since its charge was to examine conditions in cities. The Working Seminar and Wilson, though they have quite different ideological orientations, share an underlying assumption that problems in urban areas are more serious. The Working Seminar goes so far as to say that "poor white children in rural areas are probably not suffering under the harsh conditions most poor black children meet in urban areas." This may or may not be true; it is an empirical question that is worthy of careful investigation. It is not enough for individuals on different

sides of this issue to quote anecdotes at one another, for it is too easy to find examples of harsh conditions in rural areas, urban areas, and on Indian reservations. It is my position that a continued focus on urban minority poverty may lead us to wrong conclusions. First, however, let me demonstrate why it is so tempting to focus on the central cities as the seat of all problems.

Table 4 contains information on the residential concentration of poverty among different minority groups. It is, unfortunately, not possible to examine the situation for American Indians in 1985, since the CPS does not provide adequate information on this group. Table 4 indicates that a little over one-third of white poor live in central cities and a little less than one-third live in nonmetropolitan areas. This means that slightly less than one-third live in the residual category—metropolitan areas outside the central city. A very small percentage of the white poor are concentrated in poverty areas in either the central city or nonmetropolitan areas. This is not the situation for the minority groups in Table 4. Over 60 percent of the black poor live in central cities, and almost 50 percent live in central-city poverty areas. Over 50 percent of the poor of Mexican descent live in central cities and almost one-third live in central-city poverty areas. Three-quarters of the Puerto Rican poor live in central-city poverty areas. Consequently, it is very tempting to focus on inner cities as the major problem area. However, the figures in the bottom row of Table 4 indicate that by doing so, we are examining less than one-quarter of the total poor population. Three-quarters of the poor in the United States live outside central city poverty areas.

Table 4: The Concentration of Poverty, 1985

	Percentage of the Poor in Central Cities	Percentage of the Poor in Nonmetro- politan Areas	Percentage of the Poor in Central- City Poverty Areas ^a	Percentage of the Poor in Nonmetro- politan Poverty Areas ^a
Whites	35.5	32.6	14.2 ^b	9.7 ^b
Blacks	60.9	22.5	47.4 ^b	14.5 ^b
Mexican	54.8	15.1	31.3	7.1
Puerto Rican	89.0	NA	75.5	NA
Total population ^c	42.9	29.6	23.8 ^b	11.2 ^b

Note: With the exceptions indicated by note b, these figures are based on individuals and are computed from information in Tables 6 and 12 in U.S. Bureau of the Census, Poverty in the United States: 1985.

^aPoverty areas are defined in terms of census tracts (in metropolitan areas) or minor civil divisions (townships, districts, etc. in nonmetropolitan areas) in which 20% or more of the population was below the poverty level in 1979, based on the 1980 Census.

^bThese figures are based on families and are computed using information from Table 16, pp. 78-88, in Poverty in the United States: 1985.

^cIn 1985, 29.6% of the nonpoor lived in central cities and 21.5% of the nonpoor lived in nonmetropolitan areas. So 51.2% of the nonpoor, but only 27.5% of the poor, lived in metropolitan areas outside central cities.

More important, a focus on the causes of poverty among the central-city population may lead us to conclude that unique features of these areas are the source of the problem. Before reaching this conclusion, we need to ask ourselves whether there are common features of disadvantaged central-city and nonmetropolitan areas that account for poverty. That is, it could be that more poor people live in central cities, but that the basic causes of poverty are similar in both geographical areas.⁵

Table 5 contains some information from the 1980 Census that allows us to compare key characteristics of the populations in central cities, metropolitan areas outside the central cities, and nonmetropolitan areas. The advantage of using the 1980 Census information is that it allows us to look at American Indians as well as whites, blacks, and Hispanics. Factors that are often mentioned as unique to central cities are a very young population, a high prevalence of female-headed families, low rates of labor force participation, and high rates of unemployment. The figures in Table 5 show that for each racial/ethnic group, the median age of the population is actually lower in nonmetropolitan areas than in central cities. The prevalence of female-headed families is higher in central cities for each group, but the percentage of the population 16 and over that is in the labor force is higher in central cities than in nonmetropolitan areas. For blacks, the unemployment rate was slightly higher in central cities than in nonmetropolitan areas, but for the other groups, the unemployment rate was slightly--and in the case of American Indians considerably--higher in nonmetropolitan areas than in central cities. Consequently, the population characteristics, labor market characteristics, and poverty rates of both places suggest that we should

Table 5: Population and Labor Market Characteristics of Persons in Various Geographical Areas, 1980

	Median Age	Percentage of Families with Female Heads	Percentage of Population 16 and Over in the Labor Force	Percentage of Labor Force 16 and Over Unemployed
Whites				
Central cities	31.8	14.7	62.0	5.7
Metro, outside central cities	31.0	10.0	64.5	5.4
Nonmetropolitan	31.2	9.0	58.2	6.7
Blacks				
Central cities	25.4	41.6	59.2	12.8
Metro, outside central cities	24.6	30.2	64.9	9.6
Nonmetropolitan	23.9	31.8	53.2	11.6
American Indians				
Central cities	24.9	28.9	62.9	12.3
Metro, outside central cities	24.8	18.6	64.0	11.0
Nonmetropolitan	21.5	22.4	52.7	15.3
Hispanics				
Central cities	23.5	24.3	62.3	9.3
Metro, outside central cities	23.2	14.5	66.5	8.3
Nonmetropolitan	21.9	14.1	58.5	9.7

Source: U.S. Bureau of the Census, Census of the Population, 1980: General Social and Economic Characteristics, Tables 140, 141, 143, 144, 149, 150, 151, 153, 154, and 159.

determine whether the causes of poverty are similar. This could lead us to even more universal solutions and programs to deal with poverty than those envisioned by Wilson. The evidence in Table 5 does not demonstrate this conclusively, but it does suggest that the question deserves more attention than it is receiving in current research and policy discussions.

The evidence regarding current and proposed policies suggest some modest and cautious conclusions. First, some policies that are currently under attack deserve to be defended. These include AFDC, affirmative action, and school desegregation. I find very compelling the argument of Ellwood and Summers (1986) that we have experimented with low and state-varying AFDC benefits long enough, and heartily support their recommendation and that of Wilson (1987), Danziger (1988), and others that a national standard AFDC benefit level be set, and that this benefit be adjusted for inflation each year. The evidence suggests that affirmative action has been successful in meeting its limited goals and deserves to be retained as a mechanism for improving the access of minorities to employment opportunities. The major failure in affirmative action appears to be that it has not been implemented forcefully enough. The evidence also indicates that school desegregation may be an effective way to improve the educational opportunities of minority children.

Research suggests that we also reconsider policies that have fallen into political disfavor. These include community health centers, training programs for unskilled, disadvantaged workers, and public sector employment programs. If these programs are developed in ways that make it clear they are directed at all disadvantaged individuals, white and

nonwhite, and in metropolitan and nonmetropolitan areas, they may become politically viable once more.

Finally, our experience with past innovations indicates that we should carefully evaluate new ideas before proceeding with large scale implementation. Workfare programs that require individuals to work or participate in training have become popular among both liberals and conservatives because they provide training opportunities, which pleases liberals, but also enforce work requirements, which pleases conservatives. We are beginning to accumulate a body of evidence on what kinds of Workfare programs are most effective. Programs to expand health insurance coverage are in the experimental stage in Wisconsin and elsewhere, and we will gradually accumulate evidence on the costs and effectiveness of such programs. Workfare and health insurance programs may become new tools in the fight against poverty, but we should proceed cautiously with their evaluation and implementation.

NOTES

¹The other Hispanics include individuals of Cuban, Central American and South American descent. Hispanics may be of any race.

²Part of the improvement for Indians may have been due to changes in self-identification that occurred between 1969 and 1979 (Passel and Berman, 1985). There was little change in self-identification in traditional Indian areas.

³Hauser's conclusion that cutbacks in financial aid may help account for the decline in the proportion of recent black high school graduates who attended college between 1977 and 1983 is based on his finding that other factors, including family income, do not explain the decline.

⁴The Kerner Report contained more detailed recommendations for changes in several aspects of the welfare system in place in 1968: standards of assistance, extension of AFDC-UP, financing, work incentives and training, removal of freeze on recipients, restrictions on eligibility, and miscellaneous other features. I have focused on what I considered to be the key elements of these proposals in my discussion in the text.

⁵It is important to emphasize that I am talking about poverty and not about other features of central-city life such as drug use and crime. These, and other central-city problems, may require solutions that are directed specifically at central cities.

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