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Conference summary

On November 5–7, 1986, a conference on minorities in poverty was held at Airlie House, Airlie, Virginia. Organized by Marta Tienda and Gary D. Sandefur (University of Wisconsin–Madison and IRP), the conference was sponsored by the Institute for Research on Poverty and funded by the Ford Foundation and the Rockefeller Foundation.

The motivation of the conference was to improve our understanding of minority well-being. The 1980 Census of Population shows that blacks, Hispanics, and Native Americans combined make up approximately 19 percent of the U.S. population, but almost 42 percent of all persons in poverty. And these aggregate statistics conceal differing population sizes and income shares received by blacks, Mexicans, Puerto Ricans, other Hispanics, and Native Americans. Despite ample evidence that poverty is a more serious problem for minority populations than for white Americans, our knowledge of minority poverty has not kept pace with our comprehension of poverty in general. The papers presented at this conference address this deficiency by pulling together existing information about the incidence, causes, and consequences of poverty among black, Hispanic, and Native Americans.

The papers delivered at the conference compared the changing economic status and family makeup of different minority groups over the past several decades, assessed the antipoverty impacts of public transfers, examined educational differences, and analyzed the problems of the homeless, the jobless, and families in poverty. The complex issue of

whether social programs should treat different groups uniformly was addressed, and the past and possible future course of policy toward minority groups was discussed.

Remarks at the conclusion of the conference by Eugene Smolensky (University of Wisconsin–Madison) highlighted two recurrent themes of the papers. The first concerned differences both within and between the minority groups: some individuals within each group are succeeding economically, others are not; some minority groups are faring better than others. Whether these different experiences are simply a matter of the ablest and most energetic getting ahead first, perhaps to be soon followed by the rest, or whether a permanent "underclass" is developing cannot be determined, Smolensky emphasized, by the cross-sectional data now available; we must await the results of further longitudinal studies.

The second theme concerned the effects of the economy: as a proximate cause of poverty, the labor market for men may have as much impact as the personal characteristics of unmarried women who have children. Related to this theme were the topics of job availability and male unemployment, the subject of sharp debate during the conference.

Summaries of the papers and comments of the discussants are given below,[1] in the order in which they were presented at Airlie House. Other articles in this issue of *Focus* describe in more detail some of the subjects covered during the conference.

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

This paper provided information on the relative socioeconomic status of minorities. It defined "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. Black, other Hispanic, and (especially) American Indian families apparently made significant advances relative to non-Hispanic white families. Mexicans showed neither net improvement nor deterioration in relative economic status, whereas Puerto Ricans, especially those living in families headed by women, fell behind whites. Deterioration in the economic position of Puerto Ricans and improvement in that of American Indians and blacks were evident.

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Edited by E. Uhr. Unsigned articles written by Elizabeth Evanson and E. Uhr.

In terms of relative poverty—the proportion of the population with incomes below half the white median income—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. The deteriorating economic status of Puerto Ricans is the subject of a separate article in this issue.

These economic changes appeared to reflect economywide shifts in the nature and availability of work. The paper reached this conclusion by examining the shifting components of total family income from 1960 to 1980. Earnings were the dominant source of income throughout this period. Among married-couple families, the relative contribution of earnings of the head declined during the 1960s and 1970s, while earnings of other family members (notably the spouse)

increased (see Table 1). And spouses' earnings served to keep a substantial number of families out of poverty. Among single-parent families, the percentage of total labor income contributed by the head also increased, although Puerto Ricans were an exception.

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.

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

Discussion

Frank Furstenberg (University of Pennsylvania) pointed out 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 are affected by immigration and emigration, Native Americans by changes in their self-reported race identification.

Furstenberg raised the question of using public policy to influence family formation patterns, for example 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 Representatives) suggested amplifying the meaning of the term "color" and posed these policy questions: What are the differences in well-being among the elderly versus the non-elderly 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 labor market, Fernandez felt the need for more analysis of the 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 the factors that improve the situation of blacks but

Table 1
Familial Work Strategies and Economic Well-Being of Minority and Nonminority Families, 1960–1980

Sources of Wages and Salary Income	Black			Mexican			Puerto Rican			Other Hispanic			American Indian			Non-Hispanic White		
	1960	1970	1980	1960	1970	1980	1960	1970	1980	1960	1970	1980	1960	1970	1980	1960	1970	1980
Couples																		
Earning Shares																		
Head	70.4	64.1	54.2	78.3	65.3	66.9	72.7	71.0	63.7	77.3	74.1	64.1	77.2	75.1	70.1	76.9	70.8	65.3
Spouse	16.0	20.6	27.1	8.3	11.0	17.4	14.3	10.7	17.3	10.7	14.2	20.6	14.3	18.1	23.1	11.1	14.6	18.5
Other adults	13.6	15.1	18.7	13.4	23.6	15.7	13.1	18.3	19.0	12.0	11.8	15.4	8.5	6.8	6.8	11.9	14.7	16.4
	100.0	100.1	100.0	100.0	99.9	100.1	100.1	100.0	100.0	100.0	100.1	100.1	100.0	100.0	100.0	99.9	100.1	100.2
Earnings Poverty																		
All workers	46.3	26.4	25.4	37.4	34.3	23.5	36.0	31.9	25.9	31.8	19.3	17.9	57.6	29.9	24.2	18.8	14.1	17.8
Head and spouse	50.4	30.1	29.2	44.2	40.8	28.7	41.9	39.5	28.3	35.2	22.1	21.1	60.9	33.4	26.6	21.3	15.5	19.6
Head only	58.2	39.2	41.0	48.6	46.5	36.6	52.7	46.4	36.1	40.4	27.5	29.9	66.7	40.2	36.8	25.5	20.1	25.4
Single Heads																		
Earning Shares																		
Head	46.0	50.0	54.1	39.5	39.8	48.6	41.1	44.4	29.5	43.0	45.8	53.6	46.3	67.0	66.4	46.5	52.5	55.8
Other adults	54.0	50.0	45.9	60.5	60.2	51.4	58.9	55.6	70.5	57.0	54.2	46.4	53.7	33.0	33.6	53.5	47.5	44.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Earnings Poverty																		
All workers	69.7	58.7	54.9	63.1	54.5	50.1	50.9	50.5	71.5	62.8	53.8	44.3	78.6	69.6	55.7	42.4	34.7	37.3
Head only	83.6	72.2	67.1	81.9	75.1	67.6	72.0	73.2	77.7	77.4	65.3	58.3	89.3	79.1	67.4	63.4	51.9	53.5

Source: Tienda and Jensen, "Poverty and Minorities," Table 6, derived from 1960, 1970 and 1980 Public Use Microdata files.

not of Puerto Ricans. Does language difficulty, for example, explain why many single heads of Puerto Rican families are not working?

"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

Darity and Myers 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 population and the 1976 and 1985 March Current Population Surveys (CPS).

The CPS information permitted comparison over those years of average household (defined to include unrelated individuals and families) income, before and after receipt of cash transfers, among Hispanic, black, and white male-headed and female-headed households. The comparisons showed marked differences in the effects of cash transfers on minority versus nonminority households. In black and Hispanic households headed by women, transfers had very small antipoverty effects, merely reducing the severity of poverty. In contrast, among black and Hispanic male-headed households, those who had earnings were more likely to be removed from poverty by cash transfers, which thus acted as a supplement to earnings. This poverty-reduction effect of transfers was even greater among white households.

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 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. She also pointed out that any conclusions about changes in the shape of the income distribution were weakened by the fact that posttransfer income as reported by the Census Bureau did not take taxes into account.

Daniel Weinberg (U.S. Department of Health and Human Services) thought that the analyses would be more informative if they distinguished means-tested from non-means-tested transfers. He described some pitfalls of the data: e.g., the contrasting definitions of family and household used by Darity and Myers in their analysis of the decennial census and the CPS, making comparisons difficult; the inability, in the census data, to distinguish individual transfer programs such as Unemployment Insurance and veterans' benefits.

A more detailed summary of the conference is available from the Institute as IRP Special Report no. 43. The price is $4.00. The individual papers cost $3.50. See order form, inside back cover.

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

Smith investigated factors underlying the decline of two-parent families, the feminization of poverty, and the increasing numbers of children among the poor. He used 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, affluent, and middle, the residual. The proportion of all poor families declined from 34 percent in 1940 to 11 percent in 1980; the share of middle-income families rose from 40 to 63 percent; and the proportion of the affluent was 26 percent in both years. In terms of racial differences, blacks sustained a smaller proportionate decline in poor families (from 71 to 30 percent), a larger growth in the 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 American middle class, both black and white. He pointed out that the drop in poverty among blacks indicates both great progress and still unacceptably high levels of black poverty.

After growing smaller from 1940 to 1960, the income gap between black and white families has in recent years barely altered—black family incomes as a percentage of white incomes were 61.2 percent in 1970, 62.5 percent in 1980. Smith identified two principal reasons for this slowdown: the continued breakup of the black family, and the absence of economic growth in the 1970s.

A discussion of his analysis of the growth of the single-parent family and its impact appears in a separate article, "Family Policy and Minority Groups."

Discussion

Heidi Hartmann (National Research Council) took issue with the policy implication that promoting marriage and marital stability was the key solution to the problem of women and children in poverty. Hartmann noted that the paper demonstrated that poverty and female-family headship do not always

occur together—they did not, for example, in 1940. She therefore advocated policies that would raise the incomes of women regardless of their marital status. She also offered alternative explanations for the decline in marriage.

Walter Allen (University of Michigan) suggested that Smith had neglected (1) the role of such historical forces as the civil rights movement, residential changes, and alterations in the employment structure of blacks, and (2) the diversity in the situation of female-headed families, particularly those with never-married mothers. He pointed out that the recent slowdown in economic growth and the rise of female-headed families are coincidental, not separate, events: the decline in male employability, especially among blacks, is correlated with the decline in marriages.

"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, Mare and Winship compared the varying educational experience 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 (see Table 2). The exception was the Hispanic group as a whole, among whom only 50 percent were high school graduates; almost 30 percent had failed even to enter high school. (Within the Hispanic group, not shown on table, 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 much of the difference across groups in highest grade attained. When this background was controlled, the disparities were reduced by 33 to 75 percent.

Table 2
Selected Measures of Educational Attainment by Ethnic or Racial Group and Sex, Persons Aged 23–35 in 1980

	Mean Grades Completed		Percentage Completing Less than Grade 9		Percentage High School Graduates		Percentage with Some College	
	Men	Women	Men	Women	Men	Women	Men	Women
North American Indians	12.1	11.9	8.9	7.7	71.6	71.3	34.3	28.2
Asian Indians	15.9	14.5	2.2	6.4	94.1	84.7	84.6	72.0
Chinese	14.9	14.1	5.3	7.5	90.1	86.9	77.0	67.2
Filipinos	13.7	14.0	3.4	8.0	88.5	84.8	62.3	66.0
Japanese	14.8	14.5	1.1	1.1	96.9	95.4	75.8	71.2
Korean	14.4	12.4	3.0	12.4	93.4	78.5	69.8	42.6
Vietnamese	12.4	11.1	12.9	24.6	79.7	61.5	48.2	31.4
Hispanic	10.4	10.5	29.7	28.1	50.6	51.5	21.2	19.5
Non-Hispanic black	12.0	12.2	7.7	6.1	71.6	72.5	30.9	33.7
Non-Hispanic white	13.4	13.1	4.5	3.3	86.4	85.7	49.9	44.7

Source: Mare and Winship, "Ethnic and Racial Patterns of Educational Attainment and School Enrollment," Table 2, from 1980 census data.

In terms of school enrollment among those aged 15 to 25, the census information demonstrated that Asian Americans had consistently higher enrollment rates than 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 Hispanics and non-Hispanics in school enrollment was smaller than the gap in attainment, pointing to possible future improvement in 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 1980 census data 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 school. Because dropping out of high school has been associated with many negative outcomes in later life (marital instability, very low income, crime, chronic 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—i.e., the transmission of disadvantages from poor single mothers to their children.

McLanahan concluded that, regardless of family status, Native Americans, Puerto Ricans, and Mexican Americans aged 16–17 had the lowest school enrollment rates of the minority groups. Her calculations also showed that children in families headed by mothers were much less likely to stay in high school than children in two-parent families. The lower income of these families explained about 30 percent of this difference; among blacks and Cubans, income explained over 40 percent of the difference in high school enrollment, whereas among non-Cuban Hispanics it explained only 11 percent. She reiterated the point made by Mare and Winship, that because a high proportion of youth are today enrolled in school, those who drop out face even greater disadvantage relative to their peers.

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

Jasso 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). She proposed and used methods designed to isolate, wherever possible, the pure effects of nativity, age, and vintage (i.e., cohort).

Jasso used three data sets: a one-in-one-hundred 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 1970–75 panel of 2,361 white married couples; and a 1974 factorial survey of a probability sample of 200 Baltimore residents.

Her preliminary finding suggests that, taking into account their standards of well-being, successive groups of elderly native-born men and immigrant women, in contrast with native-born women, will be progressively more affluent. However, pending further research on more representative samples, these findings must be interpreted with caution.

With respect to the subjective element in the experience of poverty, the paper presented evidence that the combined operation of age and vintage produces differences in the amount of material goods regarded as appropriate.

Discussion

Douglas Massey (University of Pennsylvania) described technical and methodological problems in the analysis. 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 clouding the results. And the use of NFS data, which was limited to white husbands and wives, excluded earnings information on minority groups. He also expressed reservations about the relevance of the theoretical model to the understanding of minority groups.

John Henretta (University of Florida) commended the analytical framework constructed in the paper, but emphasized the problems posed by the data sets used in the analyses.

"Minorities and Homelessness," by Peter 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 a "collective portrait of the homeless": (1) individuals in extreme poverty having little or no links to either the labor force or the income transfer system; (2) people without family—single persons who had either never married 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.

One-quarter of the homeless in the Chicago sample were women, a finding that 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.

About 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. On the other hand, Hispanics and whites were both underrepresented.

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 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) expressed two reservations: Rossi's study operationally restricted the definition of homelessness to those living on the streets or in shelters, and thus risked omitting those temporarily housed but soon to be homeless again. Also, the reliance on interviews might weaken the validity of the data, as the homeless tend to be 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 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, the changing urban ecology resulting from a shift in such demographic factors as age and household structures, and on employment, incomes, and the transfer system.

Michael Sosin (University of Chicago and Institute for Research on Poverty) pointed out that the cross-sectional features of the study made it difficult to separate the long-term from the short-term homeless. Its sampling frame 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 diverse groups who make up the homeless, some disabled and some not, and to tailor policies accordingly.

The Institute is pleased to announce a grant from the Rockefeller Foundation to expand coverage of policy-related issues and to enable us to publish one special issue, such as this one, in the course of a year. Topics for future special issues include the current welfare reform debate and the concept of the underclass.

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 reflect poverty in a straightforward manner, or does it involve other social problems and specific disabilities connected with minority status?

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

Hirschman's 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 the unemployed who have ceased looking for work, the paper used annual data from the Current Population Surveys. Hirschman's findings are discussed in a separate article, below; see "Family Policy and Minority Groups."

The paper also sketched a preliminary model of macroeconomic determinants of unemployment, which indicated that changes in economic demand (the percentage change in the GNP from the preceding year to the current year) have significant effects upon the employment prospects of all men, but the burden of economic dislocation falls most heavily on black men, and especially on young black men. Growth in the size of the work force, on the other hand, does not appear in the aggregate to have worsened employment prospects for men.

Discussion

Jonathan Leonard (University of California, Berkeley) asserted that the fundamental problem to be addressed is why racial employment patterns are diverging while black and 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, which states that 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 (see the article containing the Wilson-Mead dialogue, below).

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 in the absence of those programs. He concluded that we have no adequate explanation for the decline of black employment and labor force participation.

Edward Lazear (University of Chicago) pointed out that 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.

"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 proved ambivalent about whether to offer special treatment on the basis of racial and ethnic identity. (A history of policy change is presented in a separate article in this issue: "Federal Policy toward Minorities: 1787–1980.")

The argument for special programs is that by recognizing ethnic-racial disadvantages and characteristics, we can design programs to overcome past discrimination and facilitate the eventual assimilation of these diverse groups into American society. Sandefur 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. A recent evaluation of the Indian 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 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, to be equal and not separated. Indians also want access to American society, but not at the expense of 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. 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) raised questions about what constituted a racial or ethnic group and what constituted a specific policy. Immigration policies did not, Morris believed, qualify as group-specific, even though they might at times have had important effects on Hispanics. He asked what lessons could be learned from the alleged strain that society feels between its ideal of equality and its practice of treating different groups differently. Finally, he pointed to the deep differences as well as similarities in the circumstances of blacks and Indians which may have influenced policies directed toward the two groups.

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

Wilson reviewed the onset of the War on Poverty, emphasizing what he considered a basic flaw in its foundations. Because it was launched during a period of economic prosperity, its programs were predicated on the view that poverty 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 was to suppress discriminatory practices and offer 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. Accordingly, when liberals of the Great Society and civil rights movement could find few satisfactory explanations for such ensuing events as the worsening of joblessness among inner-city residents and the increase in poverty associated with female household headship, conservatives offered their own analysis of the situation. In their judgment antipoverty programs failed because they changed the social system of rewards and penalties, making welfare reliance, voluntary joblessness, and family breakup more acceptable than was true a generation ago. The policies they propose therefore reemphasize laissez faire and a revival of "workfare." Charles Murray, for example, 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 (and in Wilson's view more persuasive), represented by the writings of Lawrence Mead, is that welfare recipients 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 argued that most of the large cities where poor minority members are concentrated have experienced job losses in industries that have lower educational requirements and job gains in the industries that require higher levels of education. Thus, although a substantial increase in lower-skilled jobs has taken place nationwide, those jobs are concentrated in the suburbs and nonmetropolitan areas, out of reach of the poorest minority members, increasingly isolated in the ghetto. And minorities in the inner city have been affected by social dislocation resulting from the exodus of middle-class minority members who were better equipped to take advantage of opportunities that opened up when discriminatory barriers were lowered.

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. Yet Wilson found it just as deficient as its predecessors, 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." 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?" His reply to Wilson (in full) and Wilson's response are presented in a separate article, below.

Robert Hill (Bureau of Social Science Research) 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., ex-offenders, welfare recipients, homeless), different strategies are required for different subgroups; (2) while workfare can reduce unemployment by providing greater access to poverty-level jobs, it is much less effective in reducing poverty among minorities; (3) although we must continue to deal with intentional racism, we must also focus on remedies

for structural economic problems—such as the recent changes in the Earned Income Tax Credit to aid the working poor; (4) serious consideration should be given to expanding to all fifty states the AFDC-Unemployed Parent program for poor two-parent families; (5) we need to radically change current foster-care policies that contribute to the growth of the underclass by keeping minority children in limbo because AFDC-Foster Care benefits are denied 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 are not necessarily specific to groups, he asserted. Workfare, Levitan 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.

Conclusion

The conference closed with discussion of the relationship of academic study to practical policy. One policy practitioner asserted that the timing of the relationship 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 are building is a set of accumulated wisdom. Academic studies are required to 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. ■

[1]The summaries describe the papers in their conference draft form. The papers are being revised to reflect the discussants' comments and other suggestions.

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The obligation to work and the availability of jobs: A dialogue between Lawrence M. Mead and William Julius Wilson

The comment of Lawrence M. Mead on William Julius Wilson's paper, "Social Policy and Minority Groups: What Might Have Been and What Might We See in the Future?" is presented in full below. A response from Professor Wilson is then presented. Postscripts by each author follow.

Dr. Mead is an associate professor of politics at New York University. He is a Visiting Distinguished Professor of Public Policy at the La Follette Institute of Public Affairs, University of Wisconsin–Madison, spring semester, 1987. His book *Beyond Entitlement: The Social Obligations of Citizenship* (New York: The Free Press, 1986) elaborates his position.

Dr. Wilson is Lucy Flower Distinguished Service Professor of Sociology and Public Policy at the University of Chicago. His study *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* will be published by the University of Chicago Press this year.

Professor Mead:

It is perhaps no accident that Professor Wilson and I find ourselves in disagreement. He is a sociologist; I am a political scientist. Compared to economics, these disciplines have had less to say about poverty until recently. Out of ignorance, or naïveté, we may be surer of our theories and readier to defend them than the practitioners of the dismal science. Perhaps in another twenty years, we will be just as doubtful about the answers to poverty as I sense economists are today.

I strongly support the main theme of Wilson's paper, that past approaches to poverty have been too narrow, too focused on racial discrimination or the limitations of the poor, too loathe to consider broader questions of social organization. But Wilson says the main barriers facing the inner-city poor today are their social isolation from the better-off and the decline of low-skilled jobs available to them. I say the main impediment is the permissive nature of welfare and employment programs, which have seldom seriously expected the employable to work as a condition of benefits.

Wilson says he finds my position more persuasive than Charles Murray's,[1] according to which welfare *per se* is demoralizing and ought to be abolished. But he questions my assumption that jobs are available to the poor. Accordingly, he supports an employment strategy but opposes efforts, such as workfare, to enforce work in the existing economy. He believes government must first provide greater opportunity by radically restructuring the urban labor market, for instance by creating jobs.

The main empirical basis of his argument is a recent paper on economic trends and migration in the United States by John D. Kasarda.[2] The study, based largely on data from the census and Current Population Surveys (CPS), shows that low-skilled manufacturing jobs have shifted sharply away from the Northeast and Midwest since 1970, either to the South or overseas. And while white residents have left the Northeast and Midwest in droves, black and Hispanic populations there are growing. These regions have recently seen a growth in service and information-based industries, but the new jobs usually require more education than minorities have. There is apparently a "mismatch" between the jobs offered by the labor market and the skills possessed by urban job seekers. This, the author concludes, largely explains the catastrophic levels of unemployment now found in the inner city.

The Kasarda study is important. The trends it cites are undeniable. They clearly have reduced the number of better-paying jobs available to the low-skilled. This surely is one reason for growing joblessness in the ghetto. But the reason is that available jobs have become *less attractive*. It is seldom true, as Kasarda and Wilson suggest, that jobs are entirely lacking. Each passes over a lot of other evidence that much of today's joblessness is voluntary in the sense that job seekers, both rich and poor, often pass up jobs that fall below middle-class norms.[3] Many would rather live off benefit programs or the earnings of other family members than accept work that is "dirty" or low-paid. The presence of measured unemployment does not contradict this. For the jobless rate measures not the share of job seekers that cannot find jobs, but the share who have not found *and accepted* jobs.

Kasarda's main evidence for a mismatch in the northern cities is that the industries now growing there require higher education on average than the manufacturing industries they replace. However, his data seem to measure the *actual* education of jobholders in these industries. He has no information, strictly speaking, on education *requirements*. Furthermore, his figures for the industries are averages, concealing the

many low-skilled jobs that are known to exist even in "high-tech" industries.[4]

And to show the shifting job mix (Table 10, which Wilson cites [Table 1 in Wilson's paper]), Kasarda compares industries averaging less than high school education with those averaging at least one year of college. He omits industries with mean educations in between, around the high school level. But a comparison of Tables 9 and 10 shows that these industries comprised an average of 28 percent of all jobs in 1984 in the nine cities covered. Table 10 as it stands shows that jobs requiring higher education now outnumber those requiring less than high school in five of the nine cities. But if the excluded jobs are added to the low-skilled group, positions averaging high school education or less still outnumber the higher-skilled jobs in every city but Boston.

A different study of New York, the largest city, concluded that the share of jobs that were low-skilled there declined hardly at all, from 58 to 57 percent, between 1972 and 1981. Admittedly, the nature of low-skilled work has changed. The requirement is more often for literacy, less often for manual dexterity, than in the manufacturing jobs of the past.[5] But unless we regard literacy as an advanced skill, we cannot say the urban labor market is very much more demanding today than it ever was.

The employment problem minorities face in cities seems due not so much to the labor market as to the usual difficulty they have getting through school compared to earlier urban ethnic groups. Kasarda documents that blacks typically have less education than whites, especially in the Northeast and Midwest. In one sense, his figures overstate the difference because they do not control for the fact that blacks on average are younger, so proportionally fewer of them have completed their schooling. But in another sense he understates the gap, since unemployment is startlingly high in center cities even for black high school graduates, something he finds "troublesome and difficult to interpret" (p. 29). The probable explanation is that standards have collapsed in many urban schools. Many of those who graduate from inner-city high schools today are functionally illiterate.

Another problem is that Kasarda describes migration from the northern cities but does not allow for it sufficiently in appraising the "mismatch." Presumably, the exit of large numbers of people from these areas partly compensates for the decline in some kinds of jobs. Kasarda is unsure why, at the same time, minorities continue to migrate to these cities, though at a reduced rate. We know they do not come primarily to go on welfare, though many end up there. Presumably, they come for jobs that escape Kasarda's analysis; some of them, he suggests, in the underground economy.

It is worth noting that some of the Hispanics detected in the census figures are illegal aliens, who must be working since few of them can get welfare. Their overwhelming concentration in urban areas is proof that jobs of some kind must exist there. In addition, the job market is tightening at all skill levels because of the aging of the baby-boom generation.

Karsarda's case, moreover, is confined to the center city. He admits that low-skilled jobs are growing in adjacent areas. As the youth labor market tightens, merchants in the suburbs are already having trouble hiring help. There, even unskilled youths working at McDonald's now command well above the minimum wage in many areas. Even assuming jobs are lacking in the cities, minorities could apparently find many positions outside, if they could commute or move there. Urban unemployment may really be a problem of transportation and housing, of providing better access to existing jobs. To do that would not be easy, but neither does it require the massive economic restructuring Wilson calls for.

However, suburbanization does not in fact explain most joblessness among the inner-city poor, according to studies of Chicago and Los Angeles. Blacks in these cities do commute longer distances to their jobs than whites, but this explains very little of their higher unemployment. Race and educational differences between blacks and other groups are much more important. Even when blacks live right next to whites and Hispanics, so commuting differences are minimized, they manifest higher joblessness and a much lower proportion of adults at work.[6]

Most fundamentally, the Kasarda study is entirely based on aggregate trends. One cannot assume that they explain unemployment at the individual level without showing the linkages. Studies based on individual-level data suggest even more strongly that unemployment is often voluntary. Analyses of the CPS show that most joblessness is due to turnover, not lack of jobs, especially for the groups with the highest unemployment, including blacks. Within these groups, the long-term unemployed account for most measured joblessness; many more people move frequently in and out of the labor force because they work or look for work sporadically.[7]

Studies based on the Panel Study of Income Dynamics (PSID) question the notion that minorities or the low-skilled are walled off from employment. Demographic characteristics rarely keep people from working, though they affect how good a job they can get. Most poverty is short-term, and earnings are the main way poor families escape poverty, even those with female heads.[8] Welfare mothers who are older, black, or unwed are just as likely to work their way off welfare as those who are younger, white, or married.[9] While blacks do earn lower incomes than whites, their economic mobility over time is comparable. And though black youth have very high unemployment, black male family heads are under, not over, represented among the long-term unemployed.[10]

When asked, poor and black people usually say they can find jobs; they complain, rather, about the quality of the jobs. For instance, according to the poverty statistics, only 40 percent of poor people working less than full-time give inability to find work as the main reason, and only 11 percent of those not working at all do so. These figures rise to 45 and 16 percent,

respectively, for the black poor, and 59 and 23 percent for poor black men,[11] the group on whom Wilson focuses. These respondents may also be exaggerating the role of lack of jobs, since inability to find work is one of the more acceptable reasons for being jobless. According to a separate study of inner-city black youth, a group with 40 percent measured unemployment, 71 percent said it was fairly easy to find work at the minimum wage. The main reason they were jobless was not that jobs were lacking but that they resisted taking positions that paid them less than white youth usually received.[12]

The experience of work programs, finally, does not suggest that the labor market is a serious barrier to the poor finding work. In the Work Incentive (WIN) program, which is supposed to put adult recipients of Aid to Families with Dependent Children (AFDC) to work, the major determinant of whether clients enter jobs, at least at current work levels, is simply whether the program expects them to; the labor market and the skills of the clients are secondary.[13] In recent AFDC workfare programs, lack of jobs has been a constraint only in rural areas, not in the urban areas stressed by Wilson.[14] A general job shortage might emerge only if work levels among the poor and dependent rose well above current levels.

I think the important limitation of today's labor market is the *quality*, not the *quantity*, of jobs. The economy is creating a great many jobs in the service sector that low-skilled people can do, but they typically pay less than the skilled and manufacturing positions that are declining or growing more slowly. That is what Kasarda's trends really show, as does other research.[15] Job quality is also the limitation of workfare. Enforcement programs can require more welfare recipients to work, but cannot ensure them "good" jobs. If they work steadily, they will probably escape poverty and dependency, but will seldom achieve mainstream incomes.

Professor Wilson framed the problem this way himself in an earlier publication. The difficulty, he wrote, is "not one of a declining number of available jobs but a decrease in the opportunity to obtain stable higher-paying jobs"; and, "blacks do not experience employment barriers in low-paid, menial, and casual jobs but rather in the more desirable, higher-paying jobs."[16] In the current paper as well, he suggests that blacks show poor work discipline in part because the jobs they can get are degrading. Ghetto residents want to work but can seldom find jobs that satisfy mainstream expectations. So they often in practice reject legal work in favor of dependency or the underground economy.

This is the correct characterization. It is quite different from saying there are no jobs. Job quality, not quantity, is the real issue in work enforcement. Many of those, including Wilson, who oppose workfare on grounds that jobs are *unavailable* really seem to mean that they are *unacceptable*. The second assertion is much more plausible than the first. But it is a statement about social standards, not economic facts. It contests whether available jobs are good enough to be mandatory, not whether they exist.

Liberals should stop taking the presence of measured unemployment as proof that jobs are lacking. They should accept that jobs usually do exist, and instead discuss *on what terms* they should be obligatory. Perhaps the quality of available jobs must be raised, for example, through raising the minimum wage or providing universal health insurance, before we can mandate them. Job enrichment measures may have to join with enforcement in a new "social contract" before the inner-city work problem can be solved. However, any new benefits must go to all workers. To create more attractive jobs just for marginal workers would be inequitable and would not lead to integration, as the CETA experience proved.[17]

The point of workfare is to embody both the obligations and the rights that surround employment. Workfare should not be viewed, as it is by Wilson, as a one-sided, individualist policy that levies all the obligation to work on the dependent. At the very least, enforcement programs must provide child care and other support services to welfare recipients who are training or looking for work. Programs that require work must also guarantee it, if necessary through government jobs. In areas where jobs proved insufficient, that could require just the "restructuring" Wilson wants.

Yet what is most structural about workfare is precisely the work obligation. Wilson's argument that the ghetto is *socially* isolated is truer than to say it is barred from employment. For various reasons, many ghetto adults have fallen out of the pattern of steady work in regular jobs that they shared with the larger society before 1960. They cannot be integrated until that pattern is restored. Experience has shown that merely to offer them new benefits, including jobs, does not achieve this. If work is only a benefit, too few of the seriously poor and dependent accept that it is also an obligation. Hence, they never come to terms with the demands made by jobs in the private sector. They need to hear more clearly that certain minimal competences are the price of equality in this society. Just as society is obligated to help them, so they must be obligated to help themselves.[18]

Furthermore, obligation is politically essential to justify the generous aspects of workfare. Liberal rhetoric tends to treat lack of jobs and lack of *good* jobs as equally valid reasons for nonwork. But to the public the two are fundamentally different. The first would justify nonwork, but the second does not. As long as the economy permits, all able-bodied family heads and single adults are supposed to work in some legal job, however menial it is, in preference to crime or dependency. There might be a constituency for raising the quality of low-paid jobs, but only after nonworkers accept the jobs that exist. Only functioning citizens can claim new economic rights.

By emphasizing lack of jobs, Wilson's current paper moves the debate backward. It seeks explanations for poverty only in impersonal barriers outside the poor, a search that has reached diminishing returns. His earlier position was less liberal but more radical. It raised the real issues more sharply—job quality and the work discipline of the chroni-

cally poor. How to resolve those questions hinges much more on social values than economics. It is only by facing them—together—that we can achieve fundamental change in the inner city.

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[1] Editor's note: See a discussion of Charles Murray's book *Losing Ground: American Social Policy: 1950–1980* (New York: Basic Books, 1984) in *Focus* 8:3 (Fall and Winter), 1985.

[2] "The Regional and Urban Redistribution of People and Jobs in the U.S.," paper prepared for the Committee on National Urban Policy, National Research Council, October 1986.

[3] I can give only a few citations here. For a fuller review, see Lawrence M. Mead, "Work and Dependency, Part I: The Problem and Its Causes," paper written for the Welfare Dependency Project of the Hudson Institute, September 1986.

[4] Robert J. Samuelson, "The Old Labor Force and the New Job Market," *National Journal*, February 26, 1983, pp. 426–431.

[5] Thomas Bailey and Roger Waldinger, "A Skills Mismatch in New York's Labor Market?" *New York Affairs, 8* (Fall 1984), 3–18.

[6] David T. Ellwood, "The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?" in Richard B. Freeman and Harry J. Holzer, eds., *The Black Youth Employment Crisis* (Chicago: University of Chicago Press, 1986), Chap. 4; Jonathan S. Leonard, "Space, Time and Unemployment: Los Angeles, 1980," unpublished paper, September 1986.

[7] Kim B. Clark and Lawrence H. Summers, "Labor Market Dynamics and Unemployment: A Reconsideration," *Brookings Papers on Economic Activity, 1* (1979), 13–72.

[8] Mary Jo Bane and David T. Ellwood, "Slipping Into and Out of Poverty: The Dynamics of Spells," *Journal of Human Resources, 21*, no. 1 (Winter 1986), 18–21. See also Ellwood, "Working Off of Welfare: Prospects and Policies for Self-Sufficiency of Women Heading Families," IRP Discussion Paper no. 803-86, 1986.

[9] Bane and Ellwood, "The Dynamics of Dependence: The Routes to Self-Sufficiency," study prepared for the Department of Health and Human Services (Cambridge, Mass.: Urban Systems Research and Engineering, June 1983), pp. 33–35. Such differences have much more effect on the chance of leaving welfare through remarriage.

[10] Greg J. Duncan et al., *Years of Poverty, Years of Plenty: The Changing Fortunes of American Workers and Families* (Ann Arbor: Institute for Social Research, University of Michigan, 1984), chap. 4.

[11] Calculated from U.S. Department of Commerce, Bureau of the Census, *Characteristics of the Population below the Poverty Level: 1984*, Series P-60, No. 152 (Washington, D.C.: U.S. GPO), Table 10, pp. 37, 46–47.

[12] Richard B. Freeman and Harry J. Holzer, "Young Blacks and Jobs—What We Now Know," *The Public Interest*, no. 78 (Winter 1985), pp. 27, 30.

[13] Mead, "Expectations and Welfare Work: WIN in New York State," *Polity, 18*, no. 2 (Winter 1985), 224–252, and "The Potential for Work Enforcement: A Study of WIN," unpublished paper.

[14] Judith M. Gueron, "Reforming Welfare with Work," Manpower Demonstration Research Corporation, New York, December 1986, p. 23.

[15] Barry Bluestone and Bennett Harrison, "The Grim Truth about the Job 'Miracle': A Low-Wage Explosion," *New York Times*, February 1, 1987, p. F3. For an opposed view, see Janet L. Norwood, "The Job Machine Has Not Broken Down," *New York Times*, February 22, 1987, p. F3.

[16] *The Declining Significance of Race: Blacks and Changing American Institutions*, 2nd ed. (Chicago: University of Chicago Press, 1980), pp. 96–109, 165–166.

[17] Comprehensive Employment and Training Act of 1973. For a study of the effectiveness of this program, see Laurie J. Bassi and Orley Ashenfelter, "The Effect of Direct Job Creation and Training Programs on Low-Skilled Workers," in Sheldon H. Danziger and Daniel H. Weinberg, eds., *Fighting Poverty: What Works and What Doesn't* (Cambridge, Mass.: Harvard University Press, 1986), Chap. 6.

[18] For a review of employment policy that supports this conclusion, see Mead, "Work and Dependency, Part II: Past Policies and Proposals," paper written for the Welfare Dependency Project of the Hudson Institute, September 1986.

Professor Wilson:

The central arguments of my paper "Social Policy and Minority Groups" are that (1) the vulnerability of poor urban minorities to changes in the economy since 1970 has resulted in sharp increases in joblessness, poverty, female-headed families, and welfare dependency despite the creation of Great Society programs, and despite antidiscrimination and affirmative action programs; (2) the War on Poverty and civil rights visions failed to relate the fate of poor minorities to the functionings of the modern American economy and therefore could not explain the worsening conditions of inner-city minorities in the post-Great Society and post-civil rights periods; (3) liberals whose views embody these visions have not only been puzzled by the rise of inner-city social dislocations, they have also lacked a convincing rebuttal to the forceful arguments by conservative scholars who attribute these problems to the social values of poor minorities; (4) the most persuasive conservative challenge is not the laissez-faire social policy argument articulated by Charles Murray, but the elaborate rationale for mandatory workfare developed by Lawrence Mead; and (5) the growing emphasis on workfare, buttressed by rationales for the social obligations of citizenship, deflects attention from the major source of the rise in social dislocations among poor minorities since 1970—changes in the nation's economy.

My paper discusses two types of economic changes that have adversely affected poor minorities in recent years: (a) decreases in real wages and increases in unemployment that accompanied the recessions of the 1970s, and (b) structural changes in the urban economy. Before considering Lawrence Mead's thoughtful response to my paper, I would like to take this opportunity to elaborate briefly on the effects of changes in wages and unemployment on poor urban minorities and follow with a summary of the major points I raised in "Social Policy and Minority Groups" on the structural changes in the urban economy.

As pointed out by Frank Levy, an economist at the University of Maryland, the 1973 OPEC oil price increase resulted in both a recession and a rise in inflation which, in turn, decreased real wages by 5 percent in two years. Levy points out that the OPEC oil increase marked the beginning of a period of a decrease in worker productivity, which had been the basis of a growth in real wages of between 2.5 and 3.5 percent a year from the end of World War II to 1973. From 1973 to 1982, however, worker productivity grew less than 0.8 percent each year. Although real wages had regained their 1973 levels by 1979, the fall of the Shah of Iran and the subsequent second OPEC oil price increase repeated the cycle, resulting in a decade of wage stagnation. Levy carefully notes that it was only because the proportion of the entire population in the labor force increased from 41 to 50 percent between 1970 and today (owing in large measure to the increased labor force participation of women and the coming of age of the large baby-boom cohorts), that "GNP per capita (i.e., per man, woman and child) could continue to rise even though GNP per worker (wages) was not doing

well."[1] In a period of slow growth in worker productivity, efforts to increase money wages only produced more inflation. And policymakers allowed unemployment to rise in an attempt to reduce inflation.

Levy points out that manufacturing industries, a major source of black employment in recent years, are particularly sensitive to a slack economy and therefore have suffered many recent job losses, especially in the older, central-city plants. Moreover, low-wage workers and newly hired workers (disproportionately represented by blacks) are most adversely affected by a slack economy. One of the consequences of increasing unemployment, states Levy, is "a growing polarization in the income distribution of black men. . . . Compared to 1969, the proportions of black men with income below $5,000 and above $25,000 have both grown. Thus black men at the top of the distribution were doing progressively better while blacks at the bottom—between a fifth and a quarter of all black men ages 25–55—were doing progressively worse."[2]

Finally, the economic problems of low-income blacks have been reinforced by recent demographic factors resulting in a "labor surplus environment." As Levy put it:

> During the decade, women of all ages sharply increased their labor force participation and the large baby-boom cohorts of the 1950s came of age. Between 1960 and 1970, the labor force (nationwide) had grown by 13 million persons. But between 1970 and 1980, the labor force grew by 24 million persons. Because of this growth, we can assume that employers could be particularly choosy about whom they hired. In 1983, more than half of all black household heads in central-city poverty areas had not finished high school, a particular disadvantage in this kind of job market.[3]

Levy's analysis of the effects of the general weakness of the national economy in recent years can be related to two central points in Kasarda's paper on the structural changes in the urban economy; namely, that substantial job losses have occurred in the very industries in which urban minorities are heavily concentrated and that these losses have been most severe in the northeast and midwest regions of the country (regions that have also had the sharpest increases in black joblessness and female-headed families).[4] Kasarda also points out that substantial employment gains have occurred in the industries requiring higher education that have relatively fewer minority workers, and that the current growth in entry-level jobs, particularly in the service establishments, is occurring almost exclusively outside the central cities where poor minorities are concentrated. In Mead's response to my paper he devotes a good deal of attention to a critique of the Kasarda study, which is not surprising, since I stated in the paper that this study raises serious questions not only about Mead's assumptions regarding poor minorities' work experience and jobs, but also about the appropriateness of his policy recommendations.

According to Mead, the Kasarda paper is important because it uncovers trends that "clearly have reduced the number of better-paying jobs available to the low-skilled. This surely is one reason for growing joblessness in the ghetto. But the reason is that available jobs have become *less attractive.* It is seldom true, as Kasarda and Wilson suggest, that jobs are entirely lacking." It should be emphasized that neither I nor Kasarda ever suggested that jobs are *entirely lacking* in central-city areas; rather, we argued that there has been a significant decrease in the central-city jobs requiring little education, in which minorities are presently concentrated. Lawrence Mead is certainly correct in pointing out that Kasarda's data only measure "the *actual* education of jobholders" and that he has "no information, strictly speaking, on education *requirements*." Indeed, many positions identified as "higher education" jobs because of the average level of education of the work force may not really require "higher educational" training. For example, a number of people have observed that the new high technology is "user friendly" and can be operated in most cases by people who have mastered the "3Rs."[5] Nonetheless, if jobs in the high-growth industries depend on a mastery of the "3Rs," and if employers tend to associate such skills with higher levels of formal education, then they will tend to favor those with more, not less, formal education, thereby institutionalizing "job requirements."

Moreover, many inner-city minorities face an additional problem when access to jobs is increasingly based on educational criteria. Samuel Bowles and Herbert Gintis, in a provocative study of the history of education in the United States, have argued that consignment to inner-city schools helps guarantee the future economic subordinacy of minority students.[6] More specifically, inner-city schools train minority youth so that they feel and appear capable of performing jobs only in the low-wage sector. Citing a study of disadvantaged workers which indicated that appearance was between two and three times as important to potential employees as previous work experience, high school diplomas, or test scores, Bowles and Gintis contend that students in ghetto schools are not encouraged to develop the levels of self-esteem or the styles of presentation which employers perceive as evidence of capacity or ability. Also, schools adopt patterns of socialization which reflect the background and/or future social position of their students. Those schools with a high concentration of poor and minorities have radically different internal environments, methods of teaching, and attitudes toward students from predominantly white, upper middle-class suburban schools. Bowles and Gintis state:

> Blacks and minorities are concentrated in schools whose repressive, arbitrary, generally chaotic internal order, coercive authority structures and minimal possibilities for advancement mirror the characteristics of inferior job situations. Similarly, predominantly working-class schools tend to emphasize behavioral control and rule following, while schools in well-to-do suburbs employ

relatively open systems that favor greater student participation, less direct supervision, more electives and in general a value system stressing internalized standards of control.[7]

If the characteristics of inferior job situations are mirrored in the internal order of ghetto schools, then the transformation of the urban economy from jobs perceived to require lower education to those perceived to require higher education, or the mastery of the "3Rs," is even more problematic for inner-city residents.

Nonetheless, this argument does not directly address Mead's claim that jobs, at least rudimentary ones, are generally available to poor inner-city minorities. In this connection, he prefers, unlike Kasarda, to include in the low-skilled group not simply jobs that average less than a high school education but jobs that average a high school education or less. But this more inclusive designation obscures the fact that high school dropouts do not have access to the same jobs broadly defined as "low skilled" as do the more educated workers. On this point Kasarda states:

> My purpose in focusing on job changes in industries where average employee education levels are less than high school degree is to show what has happened to job prospects in those urban industries that typically employ people who did not complete high school and the implications of these changes for today's high school dropouts and older unemployed city residents without high school degrees. That jobs in these traditionally low education requisite industries are declining in central cities while minority dropout rates in many cities continue to exceed 50 percent, I find extremely worrisome. The sharp absolute rise in inner-city unemployment rates since 1970 for both black and white residents without a high school degree manifests this problem.[8]

Mead's reliance on a broad definition of the low-skilled category to support his arguments is also seen in his reference to a New York study that "concluded that the share of jobs that were low-skilled there declined hardly at all, from 58 to 57 percent between 1972 and 1981." However, what he neglects to mention is that the study divided all occupations in New York into two categories, "those that required more and those that required less than eighteen months of preemployment training specific to that job."[9] If Mead does not see a problem with using a study which defines a low-skilled job as one that required *less than eighteen months of preemployment training specific to that job* to support his claim that jobs are readily available to the inner-city poor, I am sure the reader does.

Mead also argues that continued black migration to the central cities, albeit at a reduced rate, raises questions about the decline of jobs available to inner-city workers. However, between 1970 and 1977 there was a net outmigration of 653,000 blacks from the central cities. In most large cities the number of blacks either declined or increased only moderately. Increases in the urban black population during the 1970s were mainly due to births.[10] It is true that the urban Hispanic population has increased, but since comparable data on their type of residence in 1970 are not available, we can only speculate about the extent to which this increase is due to migration as opposed to births, particularly in the midwestern and northeastern central cities that have recorded the sharpest drop in the lower-education-requisite industries.

Mead rejects the idea that a good deal of the black unemployment could be accounted for by the suburbanization of blue-collar jobs. The research on this problem is very limited, but the most influential study supports Mead's conclusion.[11] This study focuses only, however, on the conditions affecting black teenage unemployment, and the study is based on 1970 census data for Chicago. "Since 1970, Chicago has lost over one-half of its blue-collar jobs, black school dropout rates have remained high, and inner-city black unemployment has skyrocketed."[12] It would be interesting to see if the same results would be found if a new study were conducted in Chicago today that included not only black teenagers, but adult inner-city blacks as well. We should consider, in this connection, a very important point recently raised by Kasarda, namely that

> the dispersed nature of job growth sites makes public transportation from inner city neighborhoods impractical, requiring virtually all city residents who work in peripheral areas to commute by personally owned automobiles. The combined costs of maintaining, operating, and insuring an automobile in major cities are substantially higher than elsewhere. This is particularly the case in older, larger, densely settled cities. In fact, automobile ownership in the core areas of these cities is so expensive relative to the actual or potential incomes of their disadvantaged residents that most cannot afford this increasingly essential means of securing and maintaining blue-collar employment.[13]

It strains credulity to believe that the suburbanization of blue-collar jobs has not had devastating consequences for the work experiences of inner-city minorities.

In Mead's attempt to support his speculation that jobs are generally available in most areas and that one must turn to behavioral or cultural explanations for the high and increasing joblessness among inner-city residents, he draws upon an important study by Kim Clark and Lawrence Summers and states: "Analyses of the CPS show that most joblessness is due to turnover, not lack of jobs, especially for the groups with the highest unemployment, including blacks. Within these groups, the long-term unemployed account for most measured joblessness; many more people move frequently in and out of work or are looking for work." This is a rather confusing interpretation of Clark and Summers' article because the authors actually state that current theories emphasizing "the importance of high turnover of the unemployed population are relevant to only a small portion of all unemployment and a smaller portion of joblessness."[14] One

of the central themes of the Clark and Summers article is that studies of the labor market have overemphasized turnover and not given sufficient attention to the problem of long duration of joblessness. Clark and Summers state that "because of the pervasiveness of multiple spells [of unemployment], a large fraction of all unemployment is attributable to persons out of work for more than six months in a year. The concentration of joblessness is far greater than we would expect from normal turnover."[15] It is hardly the case that their article shows that "most joblessness is due to turnover, not lack of jobs," as Mead asserts.

To reinforce his argument that it is not the lack of jobs but the unwillingness of inner-city workers to accept the more menial jobs, Mead refers to a study which states that 71 percent of inner-city black youths reported that finding a minimum wage job was "very or somewhat easy."[16] The main reason they were jobless," states Mead "was not that jobs were lacking but that they resisted taking positions that paid them less than white youth usually received." This interpretation is quite different from that provided by the authors of the article. Indeed they point out that the statements of the inner-city black youth on finding minimum wage employment "hardly means that there is no shortage of jobs in the inner city. . . . If all of these youths sought such jobs simultaneously and were willing to hold them for longer periods, these jobs would not be as easy to find."[17] Furthermore, the authors, in a sophisticated analysis, examine a number of demand and supply-side factors as possible contributors, and they do not identify unfavorable attitudes toward menial employment as the *main* explanatory factor.

Moreover, there is additional research that is not cited in Mead's paper but that questions assumptions about the unwillingness of black youth to accept certain kinds of employment. For example, a study by Michael Borus, based on the National Longitudinal Survey of Youth Labor Market Experience, reports that black youth—even after controlling for community factors, family background, and differences in human capital—are more willing to accept jobs at given wage levels than their white counterparts.[18] As Andrew Hahn and Robert Lerman pointed out in an exhaustive review of the effectiveness of strategies for assisting disadvantaged youths, which is the group that is most often said to lack a work ethic:

> Employment and training programs have perhaps placed too much emphasis on changing attitudes and have miscalculated the work-readiness of young clients coming into the programs. The actions of the youth themselves speak louder than words; no battery of social psychological testing has refuted the fact that youth, in general, and disadvantaged minority youth, in particular, generally take jobs when they are available. Perhaps the best testimony to the strong work ethic of our nation's youth is the vast flow of teenagers into the labor force every summer and into training programs when slots are made available throughout the year.[19]

In raising questions about Mead's emphasis on social values as an explanation of poor minority joblessness, I am not suggesting that negative attitudes toward menial work should be totally dismissed as a contributing factor. The growing social isolation and concentration of poverty, which have made ghetto communities increasingly vulnerable to fluctuation in the economy, undoubtedly influence attitudes, values, and aspirations.[20] And Mead is correct in pointing out that in an earlier publication I stated that the "problem is not one of a declining number of available jobs but a decrease in the opportunity to obtain stable higher-paying jobs." But that statement appeared in a study originally published in 1978, and I was drawing conclusions from research conducted in 1970, when inner-city black unemployment was much lower than it is now.[21] The issue is whether attitudes toward menial employment account in major measure for the sharp rise in joblessness and related forms of social dislocation since 1970. And despite Mead's eloquent defense of this thesis, the empirical support for his claims that the rise in inner-city social dislocations is due to the behavioral and value problems of the poor is incredibly weak.

I question the appropriateness of social policies such as mandatory workfare, advocated by Mead, that are based mainly on the assumption that it is necessary to create programs of work obligation because the poor, particularly the minority poor, suffer from a weak work ethic. However, this does not mean that I categorically reject what Richard Nathan calls "new style workfare," that is, "obligational state programs that involve an array of employment and training services and activities—job search, job training, education programs, and also community work experience."[22] New-style workfare is better than having no strategy at all to enhance employment experiences. Nonetheless, the effectiveness of such programs depends upon the availability of jobs in a given area. For example, as Kasarda has appropriately noted, on the basis of an interpretation of descriptive statistics on the national Work Incentive (WIN) program, "of those who participated in WIN, only 18 percent, on average, actually entered jobs. If WIN's main function . . . is to require welfare recipients to look for jobs in the private sector, an 18 percent actual job entry success rate is not very encouraging and is suggestive of a job vacancy pool problem."[23]

Perhaps Robert D. Reischauer of the Brookings Institution put it best when he stated that "as long as the unemployment rate remains high in many regions of the country, members of the underclass are going to have a very difficult time competing successfully for the jobs that are available. No amount of remedial education, training, wage subsidy, or other embellishment will make them more attractive to prospective employers than experienced unemployed workers."[24] Reischauer also appropriately points out that given a weak economy, "even if the workfare program seems to be placing its clients successfully, these participants may simply be taking jobs away from others who are nearly as disadvantaged. A game of musical underclass will ensue as

one group is temporarily helped, while another is pushed down into the underclass."[25]

Mead says that I oppose workfare and instead call for a "radical restructuring of the urban economy." These are his words, not mine. I am simply suggesting the need to rely on employment-oriented macroeconomic policies to build a strong, inclusive economy and to build a productive work force through, as suggested in Governor Cuomo's task force report on poverty and welfare, "reforms in education, investments in pre-school education, support for training in the private sector, and compensatory training for those who lack the skills and abilities to compete in the labor market."[26] New-style workfare could then be a part of, not a substitute for, this fundamental program of reform.

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[1] Frank Levy, "Poverty and Economic Growth," unpublished manuscript, School of Public Affairs, University of Maryland, College Park, Md., 1986, p. 9.
[2] Ibid., pp. 19–20.
[3] Ibid., p. 19.
[4] John D. Kasarda, "The Regional and Urban Redistribution of People and Jobs in the U.S," paper prepared for the Committee on National Urban Policy, National Research Council, October 1986.
[5] I would like to thank Sar Levitan for bringing this point to my attention.
[6] Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America: Education and the Contradictions of Economic Life* (New York: Basic Books, 1976).
[7] Ibid., p. 132.
[8] Kasarda, personal communication, March 24, 1987.
[9] Thomas Bailey and Roger Waldinger, "A Skills Mismatch in New York's Labor Market?" *New York Affairs, 8* (Fall 1984), 9. The study referred to, "Promising Occupations and Industries," was conducted by Eileen Sullivan for the New York City Department of Employment.
[10] Philip M. Hauser, "The Census of 1980," *Scientific American, 245* (November 1981), 53–61.
[11] David T. Ellwood, "The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?" in Richard B. Freeman and Harry J. Holzer, eds., *The Black Youth Employment Crisis* (Chicago: University of Chicago Press, 1986).
[12] Kasarda, personal communication, March 24, 1987.
[13] Kasarda, "Urban Change and Minority Opportunities," in Paul E. Peterson, ed., *The New Urban Reality* (Washington, D.C.: The Brookings Institution, 1985), p. 55.
[14] Kim B. Clark and Lawrence H. Summers, "Labor Market Dynamics and Unemployment: A Reconsideration," *Brookings Papers on Economic Activity, 1* (1979), 60.
[15] Ibid., p. 16.
[16] Richard B. Freeman and Harry J. Holzer, "Young Blacks and Jobs—What We Now Know," *The Public Interest,* No. 78 (Winter 1985), p. 27.
[17] Ibid.
[18] Michael Borus, "Willingness to Work among Youth," *Journal of Human Resources, 17* (Fall 1982), 581–593. See also Stanley P. Stephenson, Jr., "The Economics of Youth Job Search Behavior," *The Review of Economics and Statistics, 58* (February 1976), 104–111.
[19] Andrew Hahn and Robert Lerman, *The CETA Youth Employment Record,* final report submitted to U.S. Department of Labor pursuant to contract #99-8-1879-33-41, 1983.
[20] For a discussion of this point, see William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987), in press.
[21] Wilson, *The Declining Significance of Race: Blacks and Changing American Institutions,* 2nd ed. (Chicago: University of Chicago Press, 1980), pp. 95–96.
[22] Richard Nathan, "The Underclass—Will It Always Be with Us?" paper prepared for a symposium at the New School for Social Research, November 14, 1986, p. 18.
[23] Kasarda, personal communication, March 24, 1987.
[24] Robert D. Reischauer, "America's Underclass: Four Unanswered Questions," paper presented at the City Club, Portland, Oreg., January 30, 1987.
[25] Reischauer, "Policy Responses to the Underclass Problem," paper prepared for a symposium at the New School for Social Research, November 14, 1986. A similar point was recently made by Isabel Sawhill, who stated that "even with a new social contract in effect and with a set of redesigned policies to go with it, there will be many people who remain poor through no fault of their own. The historically high unemployment rates of recent years, the failure of the minimum wage and personal tax exemptions to keep pace with inflation, and serious trade dislocations have all swelled the poverty population for reasons that are entirely beyond people's control and, indeed, are outside the purview of social welfare as conventionally defined. These problems need to be addressed directly" ("Anti-Poverty Strategies for the 1980s," Working Paper, Urban Institute, December 1986, p. 2).
[26] *A New Social Contract: Rethinking the Nature and Purpose of Public Assistance,* Report of the Task Force on Poverty and Welfare, submitted to Governor Mario M. Cuomo, State of New York, December 1986, p. 12.

Professor Mead (Postscript):

I think my comment and Bill Wilson's rejoinder capture the issue between us quite well. Here I want only to clarify several technical points he raises, some of them arising from my own ambiguity.

Bill questions the study cited by Bailey and Waldinger stating that the proportion of employment in New York City that is low-skilled dropped only from 58 to 57 percent between 1972 and 1981. The author, Eileen Sullivan, classified as "low-skilled" any job requiring "less than eighteen months of pre-employment training specific to that job." This suggests that she defined "low-skilled" very broadly, to include many jobs that are quite demanding. Even if she did, of course, the definition was the same for both 1972 and 1981, so the slight decline between these years would still hold.

And actually her definition was conservative. Bailey and Waldinger are misleading. Sullivan told me on the phone that she relied mainly on education requirements. She defined as "high-skilled" all jobs requiring more than high school education, even if they demanded no other preemployment training. Jobs requiring high school or below were presumptively "low-skilled." She used the 18-month-training criterion only to *exclude* from the low-skilled class jobs that, despite low education requirements, demanded substantial vocational preparation. And this exclusion was broader than appears. The training could be required by the *job classification* even if not by an employee's specific job.

I was unclear in summarizing Clark and Summers on unemployment. In saying "most joblessness is due to turnover" I meant that the joblessness of *most unemployed* is short-term and consistent with the turnover theory. Clark and Summers concur but show that most joblessness in the sense of *mea-*

sured unemployment is attributable to the long-term cases. Like poverty or welfare dependency, unemployment has two faces. Over time, it is a transient experience for most people, but at any point in time most of the jobless are long-term.

I cite Freeman and Holzer that much unemployment among black youth is due to high reservation wages, not lack of jobs. Wilson counters with a study by Michael Borus showing that black youth are more willing than whites to accept jobs at low wages. To be precise, blacks were more willing to take such jobs in the private sector, but less willing to take them in the public sector, than whites or Hispanics. The difference in findings probably reflects different data. The Borus study draws on the 1979 National Longitudinal Survey of Youth Labor Market Experience, which covered youth in general. It is not surprising to find that black youth as a group are as willing to work as whites; they are typically lower-income and need the money. The Freeman and Holzer study, however, is based on a special survey by the National Bureau of Economic Research of *inner-city* black youth in 1979–80. That group is much more alienated from available jobs than other blacks, and much more central to the poverty problem.

John Kasarda suggests that a lack of jobs is the reason why the Work Incentive (WIN) program, which serves employable welfare recipients, places only 18 percent of its clients in jobs. But according to my studies, the main reason for low entries in WIN, at least at current work levels, is not the labor market or the low skills of the clients. It is the fact that WIN typically requires only about a quarter of its clients to make any effort to work. Recent welfare employment programs have raised that proportion, and this is the main reason, I think, why their performance looks better than WIN's.

I have occasionally overstated Wilson's position, as he has mine. He and Kasarda do not say there are no jobs for the unskilled in cities. I do not say there would necessarily be enough jobs if the turnover stopped and all the jobless tried to work steadily at the same time. The real dispute is whether jobs at a legal wage are ordinarily available in urban areas *at the margin*, that is, to those seeking them at a given time. Essentially, I think they are and Wilson does not.

One reason for our difference is ignorance; the information we have about available jobs is incomplete, though I think it favors my position. Another reason is divergent social philosophies. How easy must working be for the poor before we say jobs are truly "available?" Bill thinks it is tough enough so that government must first break down "barriers" to employment. I think it is easy enough so that the employable poor must be expected to work, as other Americans are.

Professor Wilson (Postscript):

A person reading Larry Mead's comment on my paper, prior to reading his "postscript," would not be aware that the Bailey and Waldinger article, cited to support his thesis, actually presented findings from another study on the New York labor market. I am therefore pleased to learn that Larry phoned the original author to seek clarification of her definition of "low-skilled" occupations. Nonetheless, the revised definition includes jobs that require a high school education and therefore, to repeat a point I made in my comments above, "obscures the fact that high school dropouts do not have access to the same jobs broadly defined as 'low skilled' as do the more educated workers."

I am also pleased that Larry clarified his interpretation of the Clark and Summers article with the statement that "the joblessness of *most unemployed* is short-term and consistent with the turnover theory." However, this clarification enables the reader to see clearly that Larry takes findings from the *total unemployed population*, which includes many educated workers in the process of moving from one job to another and not facing a job shortage, to explain inner-city unemployment. A reasonable conclusion from the Clark and Summers article is that the long-term joblessness of many inner-city workers suggests that they face a substantially different labor market situation.

Freeman and Holzer point out that even though their data reveal similarity in the reservation wage of ghetto black youth and white youth, this "hardly means there is no shortage of jobs in the inner city." They furthermore state that jobs would not be easy to find if all the jobless black youth sought work simultaneously. Mead feels that I used these remarks to overstate his position. On the contrary, they were included to show that Freeman and Holzer's major conclusions differ substantially from those that Mead attributes to them. Indeed, I believe that the Freeman and Holzer study is important and I agree with most of their arguments. Accordingly, I referred to the Borus study not to "counter" the Freeman and Holzer article, as Mead asserts, but instead to show that Larry neglected to cite a major study that clearly contradicts his thesis.

In addition to the problem of interpretation and coverage of the literature that bears on Larry's thesis, it should also be emphasized that he relies mainly on cross-sectional, not longitudinal, studies of labor market experiences to explain changes in inner-city joblessness and welfare receipt since the launching of the Great Society programs. It is therefore difficult for me to understand his claim that the *available* information lends greater support to his position. Nonetheless, when one considers the categorical assertions in *Beyond Entitlement* about the work ethic of the poor and their access to low-wage employment, it is admirable that Larry is now willing to acknowledge that "the information we have about available jobs is incomplete."■

Recent books by IRP researchers

Poverty Policy and Poverty Research: The Great Society and the Social Sciences

by Robert H. Haveman

University of Wisconsin Press, 114 N. Murray Street, Madison, WI 53715, 1987 ($37.50)

Poverty research was launched in 1965, a year after Lyndon Johnson declared "unconditional war on poverty." It mushroomed throughout the country over subsequent years until 1980, when it underwent first retrenchment and then, following resurgence in the numbers of the poor, a renascence. In this book Robert H. Haveman measures the growth from 1965 to 1980 in federal expenditures on poverty research studies, evaluates the contribution of this research to basic knowledge and to research methods, and describes its influence on the social sciences.

That influence included development of the field of policy analysis and evaluation research, which drew government, academe, and members of the interested public into closer communication, opening new career possibilities for those concerned with application of research findings. Meanwhile social experimentation, econometric advances involving selectivity bias, and microsimulation modeling advanced the disciplines upon new paths.

The Epilogue reviews the years since 1980 and asks what lies ahead for poverty-related social science.

Social Welfare Spending: Accounting for Changes from 1950 to 1978

by Robert J. Lampman

Academic Press, Inc., Orlando, FL 32887-0016, 1984 ($29.50)

Social Welfare Spending provides a social accounting framework for viewing the social welfare system in the United States, making it possible for the first time to compare the benefits and costs associated with changes in the system. It reviews what has happened to social welfare since 1950—its remarkable growth, who has been receiving more and who less from it. And it sketches out the alternative choices that will determine the future direction of income redistribution. A "Guide to Reading" directs the reader to supplementary literature.

Single Mothers and Their Children: A New American Dilemma

by Irwin Garfinkel and Sara S. McLanahan

Urban Institute Press, 2100 M Street, N.W., Washington, D.C. 20037, 1986 (cloth, $24.95; paper, $12.95)

The new American dilemma with which this book deals is how best to alleviate the economic hardship faced by poor mothers who are heads of families. Should the aim of government policy be simply to increase the economic well-being of these women and their children by providing benefits such as Aid to Families with Dependent Children? Or does this make matters worse in the long run by increasing the prevalence of single-mother households and their dependence on government?

After examining the problem and the effects of public policy on mother-only families, Garfinkel and McLanahan conclude that the most important factor underlying the growth of these families has been the change in marriage behavior: among whites, disrupted marriages; among blacks, a decline in marriage.

The authors suggest that it is reasonable to expect work from welfare mothers to promote independence. But because work relief programs are successful only if jobs are available, they advocate the provision of jobs paying the minimum wage to all welfare recipients capable of working. They further suggest services, such as education and training programs, to facilitate economic advancement for these women. And because even full-time work will not always lift these families out of poverty, Garfinkel and McLanahan suggest a number of other ways to supplement the incomes of single mothers with little or no cost to the taxpayer.

Private Benefits: Material Assistance in the Private Sector

by Michael Sosin

Academic Press, Inc., Orlando, FL 32887-0016, 1986 ($19.95)

This monograph describes the complex history, present efforts, and likely future of private not-for-profit agencies that distribute material aid to the needy. It reports results of quantitative research as well as intensive case studies of the goals, structures, and operating procedures of numerous private agencies. While noting severe limits to private provision at present, Sosin envisions a division of services between the private and public sectors that will utilize the strengths of each in assisting the poor.

Federal policy toward minorities: 1787–1980

by Gary D. Sandefur

This material is taken from Sandefur's conference paper, "Group-Specific Programs and Policies: Lessons from the Native American Experience."

A review of the actions of the executive, legislative, and judicial arms of the federal government over time indicates that there was never a consistent "minorities" policy, nor in fact was there a consistent policy toward any particular group. The principal policies and laws affecting minorities are listed in Table 1.

The U.S. Constitution recognized the special status of American Indians and assigned the federal government rather than state governments the responsibility for dealing with them. Black slaves were accorded no rights in the Constitution, and there was no Hispanic population to deal with. When the Constitution was drawn up and during the early 1800s, the U.S. government was preoccupied with Indians. At that time the American Indian population was almost one-quarter the size of the white population and occupied land which the U.S. government wanted to open to white settlement.

The eventual solution arrived at for dealing with American Indians was removal. During the 1830s, removal focused on moving as many Indian groups as possible from east of the Mississippi to west of it. The cases handled by the John Marshall Supreme Court in 1831 affirmed the principle of limited Indian sovereignty (i.e., Indian tribal governments could operate in a fashion similar to state governments; although Indians were required to obey all federal laws, they were not required to follow state laws on Indian land). Mid-nineteenth-century removal was directed at opening up areas west of the Mississippi by confining tribes to small, isolated reservations, several of which were located in Oklahoma. At that time, Oklahoma was designated as Indian Territory.

During the 1800s U.S. policy toward blacks underwent major changes. That black slaves had no civil rights was affirmed in the famous *Dred Scott* v. *Sanford* decision of 1857. However, the Civil War brought about the end of slavery and the rights of blacks were institutionalized through the Thirteenth, Fourteenth, and Fifteenth Amendments to the U.S. Constitution.

In 1848, the Treaty of Guadalupe Hidalgo granted citizenship to individuals of Mexican descent who decided to remain in the new parts of the United States which had belonged to Mexico.

After the Civil War then, both blacks and Mexican Americans had the legal rights of citizens in principle, but of course not in practice. American Indians, on the other hand, could become citizens only through renouncing their status as Indians. Citizenship in a tribe was seen as incompatible with citizenship in the United States.

During the 1890s several governmental actions altered the way in which the United States dealt with minority groups. In 1891 the Court of Private Land Claims was established, largely to deal with the claims of Hispanos (individuals of Mexican descent living in areas formerly part of Mexico) who had lost land after the 1848 treaty. This action emphasized the rights of Hispanic citizens. The Treaty of Paris in 1898 shifted control of Puerto Rico from Spain to the United States.

The last Indian treaty was signed in 1871. During the 1890s, the U.S. government took the position that its policy of treating Indians as a distinct group was incorrect and began to advocate the assimilation of Indians into mainstream American life. The major mechanism for doing so was the Dawes Act of 1887, which instituted allotment policy. It provided that first, communally owned Indian land would be divided up among individual Indians; the excess land would be purchased by the federal government and opened up to white settlement. Second, Indian tribes would cease to exist, and Indians would become citizens of the United States. Allotment policy was not administered consistently. Its major impact was in Oklahoma, where all land was allotted; Oklahoma ceased to be Indian Territory. While American Indians were thus being integrated into American society, blacks were being accorded a "separate but equal" status through *Plessy* v. *Ferguson.*

The first half of the twentieth century was a time of relative consistency (but not fairness) in the treatment of blacks and Puerto Ricans, and inconsistency in the treatment of American Indians and individuals of Mexican descent. "Separate but equal" guided most federal policies toward blacks. The

Table 1

Major Laws, Federal Policies, and Supreme Court Decisions regarding American Indians, Blacks, and Hispanics, 1787–1980

	Event				
	American Indians	Blacks	Mexican Origin	Puerto Ricans	Cuban Origin
1787	U.S. Constitution				
1830	Indian Removal Act				
1831	Marshall's Supreme Court: *Cherokee Nation* v. *Georgia*, *Worcester* v. *Georgia*				
1848			Treaty of Guadalupe Hidalgo		
1857		*Dred Scott* v. *Sanford*			
1863		Emancipation Proclamation			
1868		Fourteenth Amendment			
1871	Last treaty; legislative era begins				
1887	Dawes Act (allotment policy)				
1891			Court of Private Land Claims		
1896		*Plessy* v. *Ferguson*			
1898				Treaty of Paris	
1917			First Bracero Program	Jones Act (citizenship)	
1921	Snyder Act				
1924	Citizenship Act		Immigration Act (no restrictions on Western Hemisphere immigration)		
1929–34			"voluntary repatriation"		
1934	Indian Reorganization Act; Johnson-O'Malley Act				

(continued on opposite page)

Jones Act, which granted citizenship to Puerto Ricans, and the commonwealth status granted to Puerto Rico in 1948 guaranteed free movement of Puerto Ricans between the island and the mainland.

The Snyder Act of 1921 authorized the federal government to provide special services to Indians. All American Indians were granted U.S. citizenship in 1924, regardless of whether they lived on tribally or privately owned land. However, in 1934, Congress passed the Indian Reorganization Act, which ceased allotments and reinstitutionalized tribal governments. Under reorganization, it was possible to be a tribal citizen as well as a U.S. citizen. In addition, Congress passed the Johnson-O'Malley program, which authorized the federal government to contract with state and local governments to provide services to American Indians. One of the important consequences of this program was that American Indians in Oklahoma and other areas were integrated into white schools long before blacks and Hispanic Americans. This integration was facilitated by the money given to local school districts for each Indian student, and by the relatively small size of the population of Indian students in most school districts. School districts continue to receive per capita payments for American Indian students, though the present administration has proposed eliminating this program.

Table 1, continued

	Event				
	American Indians	Blacks	Mexican Origin	Puerto Ricans	Cuban Origin
1942			Second Bracero Program		
1948				Commonwealth status	
1953	House Concurrent Resolution 108: Termination				
1954		*Brown* v. *Board of Education*	Operation Wetback		
1961					Cuban Refugee Program
1964		Civil Rights Act	Immigration Act (hemispheric restrictions)		
1965		Voting Rights Act	——— Bilingual education ———		
1967			Migrant Education Program		
1968		Fair Housing Act			
1974	*Morton* v. *Mancari*				
1975	Indian Self-Determination and Educational Assistance Act		——— Bilingual ballots ———		
1978		*UC* v. *Bakke*			
1979		*United Steelworkers* v. *Weber*			
1980		*Fullilove* v. *Klutznick*			

Sources: Haywood Burns, "From Brown to Bakke and Back: Race, Law and Social Change in America," *Daedalus, 110* (1981), 219–232; L. F. Estrada, F. Chris Garcia, Reynaldo Flores Macias, and Lionel Maldonado, "Chicanos in the United States: A History of Exploitation and Resistance," *Daedalus, 110* (1981), 103–132; U.S. Congress, Office of Technology Assessment, *Indian Health Care*, OTA-H-290 (Washington, D.C.: U.S. GPO, 1986); F. P. Prucha, *The Great Father: The United States Government and the American Indians*, vols. 1–2 (Lincoln, Neb.: University of Nebraska Press, 1984).

For Mexican Americans, the early part of the twentieth century saw the first contract labor (bracero) program, in 1917, and the Immigration Act of 1924, which placed no restrictions on Western Hemisphere immigration. This was followed by "voluntary repatriation" during the Great Depression, and a second contract labor program during the 1940s. Although "voluntary repatriation" was directed toward Mexicans rather than Mexican Americans, many Mexican Americans were illegally forced to move to Mexico. In sum, during the first half of this century, the actions of the federal government reinforced the "differences" between minority groups and the white majority, although its actions toward Mexican Americans and American Indians were very inconsistent.

Federal actions since 1950 have largely been designed to eliminate racial and ethnic differences in treatment, with a few exceptions and several reversals of position. In 1953, the House of Representatives and the Senate passed House Concurrent Resolution 108, which called for the termination of the special legal relationship between the federal government and tribal governments. The major principles underlying termination were that the federal government would end its special relationship and tribes would give up their rights and privileges as governments. This would have ended the unique legal status of Indians and made them "just another minority group" in the United States. A number of tribes were terminated under this resolution. Another part of the termination program was relocation, which provided assistance to Indians who wished to relocate from isolated rural

areas to urban areas with better opportunities for housing and jobs. The ending of their "special status" was not well-received by Indian leaders.

In 1954, the U.S. Supreme Court ruled in *Brown* v. *Board of Education* that the "special status" of blacks was unconstitutional. The ending of that status was applauded by black leaders, since it had been used to deny them rights and privileges, whereas the special status of Indians had been used to grant them rights and privileges.

Operation Wetback, designed to apprehend and deport undocumented Mexican workers, was also initiated in 1954. Although it was directed at illegal Mexican immigrants rather than legal arrivals, the title and spirit of the Immigration and Naturalization Service actions offended the Mexican American community.

In 1959 Castro gained control of Cuba, and in 1961 the U.S. government began the Cuban Refugee Program to assist "political" refugees from Cuba at the same time that it was seeking to limit the flow of "economic" refugees from Mexico.

The 1960s brought major civil rights legislation that was directed toward blacks, but which also applied to American Indians and Hispanic Americans. The Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Fair Housing Act of 1968 were all designed to ensure that race and ethnicity did not prevent individuals from enjoying basic rights that were guaranteed to all citizens.

The Immigration Act of 1964 placed hemispheric limits on immigration. In 1965, bilingual education, which was directed primarily at Hispanic Americans, was initiated in the public schools, and in 1967 the Migrant Education Program was developed to establish and improve programs to meet the special educational needs of migratory workers. Also, the enforcement of other basic rights began to take race and ethnicity into account. That is, not only did the federal government commit itself to ensuring that blacks, Indians, and Hispanics would not be discriminated against in the future, it also committed itself to efforts to overcome the effects of past discrimination. This, of course, required the use of race and ethnicity to determine who had suffered from past discrimination.

In the *Morton* v. *Mancari* decision of 1974, the Supreme Court ruled that special Indian programs are not racial in nature but based on a unique political relationship between Indian tribes and the federal government. In 1975, the federal government further institutionalized the use of race and ethnicity in programs and policies through the Indian Self-Determination and Educational Assistance Act and legislation requiring that bilingual ballots be available in areas with concentrations of bilingual or non-English speakers. Indian self-determination was designed to replace termination as official federal policy. Self-determination reaffirmed the role of tribal governments in dealing with Indian issues and problems and provided mechanisms through which programs previously administered by the federal government through the Bureau of Indian Affairs were turned over to tribal governments.

The late 1970s and 1980s have seen the Supreme Court rule in favor of the special status of American Indians and in the use of race and ethnicity in overcoming past discrimination. There were several landmark decisions during this period. In the *Bakke* case, the Supreme Court ruled that it was acceptable under certain circumstances to take race into account, but that numerical quotas of the kind used at the University of California at Davis were unconstitutional. In *United Steelworkers of America* v. *Weber,* the Court in 1979 upheld a voluntary affirmative action plan that gave blacks priority for training over white workers with more seniority. And in *Fullilove* v. *Klutznick* (1980), the Court upheld the minority set-aside program that required 10 percent of public construction funds to go to minority contractors.

So we are at a peculiar point in American history. On the one hand, we as a society have decided that neither race nor ethnicity should be used to deny access to opportunities. On the other hand, we, or at least the three branches of the federal government, have decided that race and ethnicity must be used as criteria to overcome the effects of past discrimination. The United States still has no consistent policy for dealing with minority groups, and it is unclear whether it could or should have such a policy. ■

The declining economic status of Puerto Ricans

Puerto Ricans constitute 14 percent of all Hispanics in the United States and slightly less than 1 percent of the nation's population. Although this group is small, Marta Tienda and Leif Jensen found that its members are faring considerably less well than other minority groups. Puerto Ricans have experienced neither the legacy of slavery borne by blacks nor the decimation and westward removal that marked Native American history. Yet in the last quarter century the economic condition of both blacks and American Indians has improved in relation to majority whites, while Puerto Ricans have steadily lost ground in terms of labor force participation, earnings of family heads, welfare dependency, and poverty status. Their migration history has played a role in these developments.

Migration patterns

When in 1948 the island of Puerto Rico became a self-governing commonwealth in union with the United States, its residents gained full rights of citizenship, including virtually unlimited access to the mainland. Decline of the island's plantation economy after World War II led to a large-scale migration of unskilled workers in search of jobs that eventually shifted one-third of the island's population to the mainland. These migrants settled primarily in urban areas of the Northeast, where many took low-wage jobs in the garment industry. In the 1970s the movement of the garment and textile industries, among others, away from northeastern central cities displaced Puerto Rican workers, setting in motion a process of return migration. But despite efforts to industrialize Puerto Rico's economy, returnees found limited economic opportunities there, and movement between island and mainland continued.

Migration and return migration mean that island and mainland identities have become mixed—elements of both cultures thrive in both places, requiring dual functional abilities; e.g., children and adults must be bilingual, must be able to switch school systems and labor markets, and must cope with competing value systems. The pattern of circular migration has thus had deleterious accompaniments: family disruption, contributing to rapid increase in the numbers of female-headed households; school interruption, contributing to low educational attainment; increasing marginalization of workers, which has as its complement high rates of welfare dependency.

These effects became evident when Tienda and Jensen examined the figures on socioeconomic change contained in the decennial censuses from 1960 to 1980, comparing the experiences of five minority groups—blacks, Native Americans, Mexican Americans, other Hispanics, and Puerto Ricans—with non-Hispanic whites.

Family income

Over the two decades, median and mean family incomes of blacks, Native Americans, and to a small extent other Hispanics (primarily Cubans and South and Central Americans) converged with those of non-Hispanic whites. On average, the income gap between Mexican American and white families remained stable. Puerto Ricans alone registered a steady loss: the ratio of median Puerto Rican/white family income fell from .62 in 1960 to .50 in 1980. By 1980 Puerto Ricans had the lowest family incomes among the six groups. Twenty years earlier, that position had been occupied by blacks.

Because averages and medians mask changes in family composition that affect the well-being of household members, Tienda and Jensen investigated income differentials according to headship and family size. Over the two decades both blacks and Puerto Ricans experienced a dramatic rise in female family headship, and numerous studies have shown that these families face greater economic hardships than married-couple families (see the article "Family Policy and Minority Groups," below, for a discussion of this issue). Yet in the aggregate, median family incomes rose between 1960 and 1980 for all groups—with the sole exception of Puerto Rican single-mother households (see Table 1). Compare their experience with that of blacks: the median family income of black female-headed families *rose* from $5,092 to $11,084 (1985 dollars) in that period, while that of Puerto Ricans *fell* from $8,545 to $7,228. "The deteriorating family incomes of Puerto Ricans," concluded the authors, "appear to be related both to the rapid increase in families headed by single women and to the severe labor market disadvantages faced by Puerto Rican women" (p. 20).

Poverty rates

Changes in the incidence of poverty as measured in both absolute and relative terms provide differing perspectives on racial and ethnic income inequality. As shown in Table 1, although poverty as officially measured diminished among both minority and nonminority families between 1960 and 1980, the decrease was markedly smaller among Puerto Ricans, falling only by 2.5 percent, in contrast with the large declines among all other groups. The falling incomes of

Table 1

Differentials in Median Family Income and Poverty Rates, 1960–1980 (in 1985 dollars)

	Median Income[a]		
	Married-Couple Families (1)	Single-Headed Families (2)	Absolute Poverty Rate, All Families[b] (3)
Blacks			
1960	$11,210	$5,092	47.8%
1970	19,888	9,328	29.8
1980	24,430	11,084	26.3
Percentage change, 1960–80	*+117.9*	*+117.7*	*−45.0*
Mexicans			
1960	14,809	6,792	37.7
1970	20,370	9,873	28.3
1980	23,195	11,841	21.7
Percentage change, 1960–80	*+56.6*	*+74.3*	*−42.4*
Puerto Ricans			
1960	13,230	8,545	35.8
1970	18,776	8,726	28.8
1980	20,951	7,228	34.9
Percentage change, 1960–80	*+58.4*	*−15.4*	*−2.5*
Other Hispanics			
1960	16,213	7,110	31.7
1970	25,011	13,058	20.7
1980	26,901	13,543	16.1
Percentage change, 1960–80	*+65.9*	*+90.5*	*−49.2*
American Indians			
1960	11,673	5,835	54.2
1970	20,311	7,832	29.5
1980	24,919	10,912	20.5
Percentage change, 1960–80	*+113.5*	*+87.0*	*−62.2*
Non-Hispanic Whites			
1960	20,569	12,699	14.6
1970	29,291	17,313	8.1
1980	31,978	17,935	6.5
Percentage change, 1960–80	*+55.5*	*+41.2*	*−55.5*

Source: Tienda and Jensen, "Poverty and Minorities: A Quarter Century Profile of Labor and Socioeconomic Disadvantage," Tables 3 and 4; data from Public Use Microdata files of the decennial censuses.

[a]In 1985 dollars.

[b]Using official poverty thresholds, which are based on cash income before taxes.

single-headed Puerto Rican families shown in column 2 help explain this differential.

Under two relative measures of poverty—the percentage of families with incomes below one-half, and below one-quarter, of the median family income of whites—the status of all five minority groups registered only limited improvement. Again Puerto Ricans were in the very lowest position, becoming more concentrated in the bottom fourth of the income distribution. The proportion of non-Hispanic white families with incomes below one-half the white median increased slightly over this period.

Labor market income

To gain better understanding of the factors behind these changes in family income and poverty rates, Tienda and Jensen separated income into four components: labor market income (wages, salaries, self-employment), public assistance transfers (means-tested aid in cash), social insurance transfers (non-means-tested), and other sources (rents, dividends, etc.). Throughout the two decades, labor market income remained by far the dominant source for all groups, but as a share of total family income it declined most for Puerto Ricans, paralleling the change in their labor force participation rates, which fell among both men and women throughout the 1960s and 1970s. Recent evidence indicates that part of the deterioration in the labor market position of Puerto Ricans may result from the changing (younger) age structure of their population coupled with the recent entry of a large cohort of young people into the labor market.[1]

Having ascertained that income from work was by far the most important of family resources, the authors examined the relative contribution to it by various members of the household. Among married-couple families, the major earner in all groups was the family head, but his share of labor income declined between 1960 and 1980, as wives entered the labor force in greater numbers and as others in the family also contributed a greater proportion of earnings. This pattern also held for Puerto Rican married couples, although the earnings of Puerto Rican wives lagged behind those of other minorities.

Among single-parent families, in contrast, the Puerto Rican story was entirely different: the share of earnings contributed by the solo parent dropped from 41 to 30 percent, while the earnings of other adults in the single-head unit rose from 59 to 70 percent between 1960 and 1980. This pattern was the reverse of that experienced by all other groups, where the proportionate labor income share of the single head rose while the earnings share of other adults declined.

Public assistance and poverty reduction

The preceding analyses led Tienda and Jensen to expect greater reliance on public assistance by Puerto Ricans. The magnitude of that increase, however, especially among

single-headed families, took them by surprise. In 1970 15.1 percent of Puerto Rican families headed by a single person received means-tested cash transfers; in 1980 that figure was 52.4 percent, a rise of 247 percent in ten years. This assistance in 1980 did little to ameliorate poverty among those families. Their income poverty rate was 68.2 percent before receipt of public assistance, and 61.1 percent after, a reduction of 7.1 percentage points.

These statistics contrast with data on other minorities. The share of black single-headed families who received public assistance, for example, increased only from 25.5 to 28.1 percent between 1970 and 1980. In the latter year receipt of such assistance reduced their income poverty by 5.3 percentage points (from 48.3 percent before receipt to 43.0 percent after). Native American and other Hispanic single-headed families registered a decline in the proportion of their numbers receiving cash welfare during the same period, but still enjoyed substantial poverty reductions as a result of public assistance.

The roots of disadvantage

The comparative analyses reported in this paper showed that Puerto Ricans are falling behind other minority groups along many dimensions. They are the only minority group to become increasingly concentrated in the lowest quartile of the income distribution. Why are they losing ground? In the judgment of Tienda and Jensen, failure in the labor market is the major source of Puerto Rican disadvantage, particularly as reflected in the lower earnings and higher incidence of poverty and welfare dependency among single mothers.

Past efforts indicate that certain policy measures can enhance the labor market success of handicapped groups.[2] In the case of Puerto Ricans, such policies would include improvement in English proficiency, compensatory education programs, job and skills training, and employment counseling.[3] Like blacks, Puerto Ricans would benefit from an increased understanding of the causes and consequences of changing family structure and from policies to increase the incomes of single women who are raising families—such as job training, child care, and child support from absent fathers. Those circumstances and policies were the subject of papers by James Smith and Charles Hirschman, described in the following article. ■

[1] Personal communication to Marta Tienda from Charles Hirschman, 1987.
[2] See Laurie J. Bassi and Orley Ashenfelter, "The Effect of Direct Job Creation and Training Programs on Low-Skilled Workers," in Sheldon H. Danziger and Daniel H. Weinberg, eds., *Fighting Poverty: What Works and What Doesn't* (Cambridge, Mass.: Harvard University Press, 1986).
[3] See Marta Tienda, "The Puerto Rican Worker: Current Labor Market Status and Future Prospects," in *Puerto Ricans in the Mid-Eighties: An American Challenge* (Washington, D.C.: National Puerto Rican Coalition, 1984). Reprinted in *Journal of Hispanic Politics, 1* (1984), 27–51.

Family policy and minority groups: Unanswered questions

Family policy is receiving much attention these days. Because the growth of single-parent families has proceeded at an accelerated rate among some minority groups, several papers focused on such trends as the growing proportion of poor children, the feminization of poverty, the increase in out-of-wedlock births, the rising unemployment rate and weakening attachment to the labor force of black men and Puerto Rican men and women, and the growth in the proportion of women in the work force. This article lists key questions relating to family policy that were raised at the conference. Some of them remain unanswered.

Are female-headed families more likely than intact families to be poor?

James P. Smith addresses the question of poverty in the female-headed family by comparing intact (both spouses present) families and female-headed families over a forty-year span, using decennial census data. Between 1940 and 1980 the proportion of female-headed families increased from 8.6 percent of all families to 13.6 (and from 15.7 to 38.2 percent of black families). Smith uses a poverty measure that combines some aspects of the official poverty threshold and some aspects of a relative poverty measure (his poverty threshold rises 50 cents for every dollar increase in real per family income). His measure of affluence includes the top 25 percent of families in 1960 and moves forward and backward in time, increasing dollar for dollar with economic growth. The divergent paths of intact families and female-headed families are shown in Tables 1 and 2. In 1980 only 6 percent of white intact families and 15 percent of black intact families were poor. But over half of the black female-headed families and 30 percent of the white female-headed families were poor in 1980. In 1940 the difference between poverty among female-headed families and poverty among married couples was much smaller. What explains these trends?

Why are female-headed families poor?

Beyond the obvious reasons—that women earn less than men because on average they work fewer hours at lower wage rates, that their families usually consist of one wage earner instead of two, and that most women receive little in child support from the fathers of their children—Smith points out two additional explanations for poverty among female-headed families. With data from the Michigan Panel Study of Income Dynamics (PSID) he demonstrates that single mothers are not random draws from the population, but are more likely to come from impoverished backgrounds, and that the characteristics of single mothers have changed over the years, so they are more likely than in the past to be young unwed mothers with limited earnings capability. These trends hold for both blacks and whites, but there are large racial differences. In 1980, 46 percent of black single mothers were younger than 35 years old, compared to 36 percent among whites. Between 1960 and 1980 the proportion of those black female family heads who were under 24 years old and had never married more than doubled. By 1980 three-quarters of black mothers under 24 had never married.

Smith finds that divorce cuts a woman's income in half and remarriage makes her better off than she was in her first marriage. Never-married women also greatly improve their circumstances if they marry. Smith simulates the poverty rates of unmarried mothers if they were to marry, by matching unmarried mothers to men with incomes equal to those that other single mothers have married. He concludes that marriage would reduce poverty among female heads by half.

In her comment on his paper, Heidi I. Hartmann points out that this would be the case only if all the unmarried women could do as well in the marriage market as the women who actually did marry, which she concludes is unlikely. It is not known what sort of partners—if any—are available for presently unmarried mothers.

Is poverty increasing among children?

According to Smith, children are far more likely than adults of either sex to be poor, though less so than in the past. In 1940 more than half of all American children and almost 90 percent of black children were in families with incomes below Smith's poverty line. Only one in ten children (one in a hundred black children) lived in an affluent family. By 1980 conditions for children had greatly improved. Nationally, one in five children lived in poor families; among blacks, four in ten.

Smith argues that these figures overstate the number of poor children in intact families, and thereby understate the contrast between the poor children in two-parent and mother-only families. He suggests that the presence of children in two-parent families causes women to reduce their labor supply, which reduces family income at the same time that need increases (as measured by more children). Thus both the numerator and denominator of the income-to-needs ratio are affected, increasing the likelihood of the family to fall below the poverty threshold. But a nonworking wife provides numerous services that are not measured as part of money income, and therefore a two-parent family with the mother at home may be better off in some respects than a two-parent family with a larger income from an employed wife. He further points out that parents choose to have children. That more children are of some value to parents presumably balances their additional cost—at least from the parents' perspective. However, from the point of view of the children,

Table 1

Economic Status of Intact Families (Both Spouses Present) (percentages)

	1940	1950	1960	1970	1980
All Families					
Poor	33%	20%	12%	8%	7%
Middle class	40	51	64	66	64
Affluent	27	29	24	26	29
White					
Poor	30	17	10	7	6
Middle class	41	52	64	67	64
Affluent	29	31	26	26	30
Black					
Poor	69	49	39	21	15
Middle class	27	44	54	69	68
Affluent	4	7	7	19	17

Source: Smith, "Poverty and the Family," Table 3.
Notes: Poor is estimated at poverty threshold plus 0.5 percent increase for every 1 percent growth in real income; affluent is estimated to include the top 25 percent of white families in 1960 (the Census year closest to 1963, when the poverty line measure was first developed), and is adjusted fully for growth in real income. The 1940 census data include only wages and salaries, whereas the other years include all sources of money income.

Table 2

Economic Status of Female-Headed Families (percentages)

	1940	1950	1960	1970	1980
All Families					
Poor	47%	48%	42%	39%	36%
Middle class	36	37	47	53	58
Affluent	17	15	11	8	6
White					
Poor	41	42	34	32	30
Middle class	39	40	52	58	62
Affluent	20	18	14	10	8
Black					
Poor	81	76	69	58	53
Middle class	17	21	29	40	44
Affluent	2	3	2	2	3

Source: Smith, "Poverty and the Family," Table 4.
Notes: See Table 1.

according to Smith, there may be few advantages in having siblings who must compete for family resources. Adjusting for these two factors—the rise in needs and decrease in income—reduces poverty among children in two-parent families by a third.

Nevertheless, Smith concedes that the problem is a serious one. Children's poverty actually increased slightly during the 1970s, and was increasingly concentrated in female-headed families. The number of those families increased by 5.6 percent between 1960 and 1980, whereas the fraction of children in them grew by 8.5 percent. According to Smith's estimates, only 16 percent of children live in poor families headed by women, yet they make up over half of the poor children. Among black families, more than seven out of ten poor children live in families headed by women. The question, therefore, is why these women do not marry.

Why are women not getting married?

In her comment on Smith's paper, Hartmann points out that some women are choosing not to get married. She suggests that women's economic gains from marriage have declined relative to other means of supporting themselves. Their earnings relative to those of men have increased, as has their access to alternative income sources, notably government transfers. Although marriage may be socially desirable from the standpoint of raising children, it apparently is not preferred by the many women who opt for financial independence rather than dependence on men. Because marriage may be unstable under economically precarious circumstances, it is a questionable solution to the poverty associated with female headship. An alternative solution offered by Hartmann is to help women earn higher wages and offer them such social supports as child care and child support from the absent fathers of their children.

Other researchers have hypothesized that one explanation of nonmarriage among poor women in general, and black women in particular, is a lack of employed men able to contribute to the support of a family.

Is unemployment climbing among young men?

In his paper "Minorities in the Labor Market," Charles Hirschman documents the growing disparity between employment rates for white and black young men and attributes the breakdown of the family to this cause:

> The employment problem—"crisis" may be a more appropriate term—is most severe for minority groups, especially the black and Puerto Rican communities. Based on 1979–80 data, the estimated worklife of blacks was nearly seven years shorter than that of whites. The rising tide of minority unemployment and nonparticipation in the labor force reached record levels in the 1980s. For young men, the inability to find productive and remunerative employment in the mainstream economy is particularly devastating. The opportunities for hustling and other forms of illicit activity have become relatively attractive in the absence of legitimate means of getting

ahead. Without hope for a steady income many minority men find it economically impossible to form stable family unions (pp. 1-2).

His 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 for which data on Hispanics are available in the Current Population Surveys) 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 was in the midst of recovery, 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 unimaginable only a decade earlier" (p. 9).

Unemployment is highest among young workers, particularly teenagers. As entrants to the labor force with little experience, young workers generally have above-average rates of joblessness. Furthermore, those who discontinue their schooling at an early age are likely to be the very ones facing problems in the labor market. Despite these provisos, the rise in youth unemployment during the recessions of the 1970s and 1980s was surprisingly large: white teenage male unemployment reached 18 percent in 1975 and rose to 20 percent in 1982–83. For black teenage males, the unemployment rate has been over 20 percent since 1958; in the 1970s it rose to the 30 percent range, and in the recessions of the 1980s it reached almost 50 percent, remaining over 40 percent in 1985—about 25 percentage points above the comparable white rate.

Because unemployment rates do not account for those no longer looking for work, Hirschman 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 all 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, and this differential has widened since then. For men in their early twenties, a similar differential appeared in the early 1970s and has remained steady. Table 3 shows the labor force participation rates of young men not enrolled in school from 1964 through 1983. Blacks differed sharply from whites and Hispanics; among the latter two groups, on average, over 90 percent of young men not in school remained in the labor force. By 1983 over one-quarter of black men aged 18–19 not enrolled in school were not in the labor force; this was true of more than 15 percent of those aged 20–24.

Table 3

Labor Force Participation Rates of Young Men Not Attending School, by Race and Hispanic Origin, Selected Age Groups, 1964–1983

	Ages 18–19			Ages 20–24		
	White	Black	Hispanic	White	Black	Hispanic
1964	92.3	90.2	—	96.9	94.3	—
1965	91.2	91.4	—	96.4	95.7	—
1966	89.2	84.9	—	98.0	96.1	—
1967	87.8	88.3	—	96.9	92.8	—
1968	88.0	86.7	—	94.3	93.4	—
1969	89.4	82.2	—	95.3	94.8	—
1970	88.9	75.7	—	95.3	90.5	—
1971	88.9	86.9	—	94.5	91.0	—
1972	91.1	81.5	91.2	95.6	90.5	96.0
1973	90.3	88.1	87.3	95.1	90.5	92.0
1974	90.2	87.3	89.1	95.9	91.7	91.0
1975	92.7	81.6	92.9	94.9	84.9	91.7
1976	90.9	75.8	88.6	95.6	84.3	91.9
1977	93.3	82.6	92.0	95.7	88.7	95.7
1978	94.0	80.1	94.1	95.6	88.6	94.5
1979	91.3	81.2	94.0	95.5	87.7	94.5
1980	91.7	75.0	87.0	95.2	86.8	92.2
1981	90.9	74.9	89.7	95.0	86.2	92.4
1982	87.6	71.4	84.2	94.6	86.5	90.0
1983	89.2	72.2	89.3	94.6	84.1	93.1

Source: Hirschman, "Minorities in the Labor Market," Table 6, from U.S. Department of Labor, *Handbook of Labor Statistics,* Bulletin 2217 (Washington, D.C.: GPO, 1985), pp. 141–143.
Notes: Prior to 1972, black refers to black and other nonwhite workers. Dash indicates data not available.

Why are blacks disproportionately unemployed?

The traditional explanation for the poor employment rates of minority groups is that they lack the requisite skills to obtain and hold jobs, i.e., they have less human capital, as measured for the most part by years of schooling. But Hirschman shows that the trends in education between blacks and whites have been converging at the same time that their employment rates have grown apart. According to Hirschman, in 1959 the difference in median years of schooling between

black and white workers was more than three years. The current gap is less than half a year between black and white men, and less than a year between white and Hispanic men.

The link between educational attainment and unemployment levels is presented in Table 4. These tabulations of the unemployment rates of white, black, and Hispanic workers within levels of educational attainment show that black-white gaps have widened for all groups.

Edward P. Lazear, in his comments on the Hirschman paper, offers a number of possible explanations of the widening gap between the unemployment rates of black and white youths. (1) The minimum wage makes it less worthwhile to hire inexperienced workers. (Why this should explain the divergence between blacks and whites is not clear. Furthermore, the minimum wage has remained constant for the past six years, while the disparity in unemployment has been growing. According to Sar Levitan, a discussant of the Wilson paper, the real minimum wage is now at its lowest level in over three decades.) (2) Affirmative action may penalize young people because it requires that if individuals are hired, minorities and women be given equal opportunities. Therefore, employers may prefer not to hire at all. (3) Attainment in school may be less strongly correlated with human capital than it was in the past, since the inner-city schools, which are predominantly black, receive less than their share of funding from state governments.

An increase in discrimination as a result of less forceful pursuit of civil rights and affirmative action by a more conservative administration may also help explain the numbers. Welfare itself has been suggested by some (Charles Murray, for example) as the reason so many black men are not working.

Do the rising secular unemployment rates—especially among young black men—indicate the failure of our economy to provide sufficient jobs for all those who want them? Or do they represent the refusal on the part of the unemployed to take jobs that are readily available?

This question is the topic of a dialogue between two of the conference participants, Lawrence Mead and William Julius Wilson, which appears elsewhere in this issue. ■

Table 4

Unemployment Rates of Workers, Age 16 and Above, by Race and Hispanic Origin and Educational Attainment, Selected Years

	Years of Schooling																	
	Less than 5 Years			5-8 Years			9-11 Years			12 Years			13-15 Years			16 or More Years		
	White	Black	Hisp.	White	Black	Hisp.	White	Black	Hisp.	White	Black	Hisp.	White	Black	Hisp.	White	Black	Hisp.
1962	8.0	12.6	—	—	—	—	7.2	15.3	—	4.6	12.4	—	—	—	—	—	—	—
1964	9.3	7.8	—	—	—	—	6.4	12.5	—	4.3	10.1	—	—	—	—	—	—	—
1966	6.1	5.5	—	4.5	6.6	—	4.5	9.7	—	2.8	7.0	—	2.8	6.3	—	1.0	1.9	—
1968	5.4	4.9	—	4.0	5.7	—	4.6	9.8	—	2.7	6.7	—	2.5	3.9	—	1.0	1.6	—
1970	5.3	5.7	—	4.7	5.3	—	5.7	9.5	—	3.6	7.2	—	3.7	6.1	—	1.5	1.4	—
1973	4.7	3.6	6.6	6.1	7.5	6.7	8.0	13.6	10.2	4.1	8.8	6.0	3.6	8.8	5.7	2.1	2.3	5.0
1975	15.2	8.6	16.5	10.9	15.8	14.2	14.0	22.0	18.4	8.4	15.2	10.5	6.6	10.1	7.9	2.8	3.9	3.6
1977	8.7	12.2	10.9	9.9	12.0	11.9	12.7	20.0	17.2	6.8	14.4	10.0	5.5	12.5	8.2	3.2	5.0	5.0
1979	7.5	9.1	8.2	7.4	10.3	7.0	10.9	19.6	14.6	5.0	12.6	8.2	3.8	8.8	6.5	2.1	4.2	3.6
1981	10.0	11.7	11.1	11.7	13.2	14.4	13.5	24.7	17.0	7.2	16.4	9.7	4.4	11.8	6.3	2.3	4.0	2.8
1983	15.1	21.8	20.6	16.1	16.2	18.6	19.0	29.5	23.9	10.3	22.8	14.4	7.0	17.3	10.9	3.4	8.5	6.8
1984	12.9	15.7	17.8	12.2	16.7	12.9	15.2	27.3	18.4	7.4	18.3	9.6	5.1	12.0	7.2	2.6	6.3	3.5

Source: Hirschman, "Minorities in the Labor Market," Table 5, from U.S. Department of Labor, *Handbook of Labor Statistics*, Bulletin 2217 (Washington, D.C.: GPO, 1985), pp. 170-171.

Notes: Prior to 1977, black refers to black and other nonwhite workers. Prior to 1972, data are based on persons age 18 and older; for 1972 and later, data are based on persons age 16 and older. Dash indicates data not available.

Some reflections on public policy

by Gary D. Sandefur

One of the organizers of the conference provides his agenda for alleviating poverty among minority groups.

The effectiveness of existing programs

Although social security has been shown to be the most effective transfer program in reducing poverty,[1] it and other social insurance programs are less effective antipoverty measures for minority groups than for non-Hispanic whites. This is so because (1) a smaller proportion of the minority groups are 62 and over; (2) a smaller proportion of minority groups work long enough to participate in social security; and (3) among those who work long enough, wages are lower than those among whites, leading to lower benefits. The second and third reasons also explain why one would expect Unemployment Insurance to be less effective in reducing poverty among members of minority groups than among whites. In sum, the cash social insurance programs are less important to members of minority groups than to white non-Hispanic Americans.

AFDC, on the other hand, is more important to members of minorities than to white Americans, in part because the proportion of these groups who are children is much higher than the proportion of white Americans who are children. The 1980 Census, for example, showed that 27 percent of white persons in households were under 18, compared to 36 percent of black persons, and 39 percent of Hispanic and American Indian persons.[2] Further, there are differences among the racial/ethnic groups in the importance of AFDC.[3] Many states do not have an AFDC-Unemployed Parent (UP) program to provide benefits to disadvantaged couples with children. A high proportion of poor American Indians live in married-couple families in states where there is no AFDC-UP program to lend a hand. This is likely to be true of the ōther groups as well.

Supplemental Security Income, though a much smaller program than social security or AFDC, is quite important to disabled and elderly members of minority groups because of their limited eligibility for benefits from the social insurance programs. In 1984, there were a little over 4 million recipients of SSI benefits; of these, over 1 million or approximately one-fourth were black, and 742,000, or 18 percent, were members of other minority groups—Hispanic, American Indian or Asian American.[4] There has been very little research on the importance of this program to members of racial and ethnic minorities. Among multiperson households with aged heads (65 and older), 0.4 percent of household income for households headed by white men came from SSI, 3.9 percent of household income for households headed by white women came from SSI, 6.9 percent of income for households headed by black men came from SSI, and 17.7 percent of income for households headed by black women came from SSI.[5] This suggests that SSI is probably much more important to disabled and aged minority households than to disabled and aged white households.

There is much less information on the racial/ethnic differences in the importance of in-kind transfer programs. Information from the Current Population Surveys indicates that blacks and Hispanics are more likely than whites to participate in the means-tested in-kind transfer programs such as food stamps and Medicaid, and less likely to participate in Medicare, an in-kind program that is tied to social insurance: 34 percent of the recipients of food stamps in 1983 were black; 31 percent of the recipients of Medicaid were black; whereas 10 percent of the recipients of Medicare were black. Because of these differences in participation levels, in-kind transfers are more likely to remove poor blacks from poverty than they are to remove poor whites. If we were to value food and housing aid at their market value in 1983, for example, these in-kind transfers raised 9 percent of the Hispanic poor and 14 percent of the black poor above the poverty line relative to only 0.1 percent of the white poor. The cash transfer system is more effective in reducing white poverty for two reasons. First, those whites who receive transfers are more likely to receive social insurance transfers and their social insurance transfers tend to be larger than those received by nonwhites. Second, poor whites have higher pretransfer incomes than poor nonwhites.

The major lesson to draw from these differences is that the demographic characteristics of different groups affect the extent to which they benefit from existing antipoverty programs. The age structure, extent of female headship, and previous labor force activities emerge as important determinants of group participation in the antipoverty system. Antipoverty programs are most generous toward aged individuals who were relatively successful during their working years; they are less generous to unmarried young women with children and least generous to young couples with children and to the childless. This leads to unintended differences in the effectiveness of cash and in-kind transfers across racial and ethnic groups.

The effects of programs that do not directly enhance economic well-being are even more uncertain. There is evi-

dence of convergence in high school completion and college attendance, at least through 1980, but there is no way to know if school desegregation, compensatory education, and other programs account for this convergence. The direct evidence on compensatory education reveals no clear effects of these programs on educational performance. The wages of nonwhites have converged with those of whites, and there is good reason to believe, but no compelling evidence, that this is due to affirmative action and other equal-opportunity programs. At the same time, the unemployment rates and labor force participation rates of nonwhites have diverged from, rather than converged with, those of whites. Finally, the health conditions of American Indians have improved dramatically, much more than those of blacks, which suggests, but does not definitively demonstrate, that geographical targeting such as that practiced by the Indian Health Service may be an effective way to improve health.

Some policy alternatives

At this point, the major antipoverty initiative that is being widely considered is workfare. Since workfare is directed primarily at AFDC participants and to a lesser extent at food stamp recipients, it will involve a greater proportion of nonwhites than whites who receive transfers. It is not clear what effect workfare will have on children. There is no evidence that receiving AFDC adversely affects children,[6] but there is also no evidence that day care adversely affects children.

Unfortunately, the current preoccupation with workfare ignores children, who should probably be our central concern. A focus on the parents of these children as opposed to the children themselves may lead us to make serious errors in the formulation of new antipoverty efforts. Given the inconclusive evidence regarding the second-generation effects of welfare and the overrepresentation of children among the poor, especially among minority groups, we should address the ways to guarantee these children a minimum standard of living before turning to the detrimental effects of welfare dependence on their parents.

One way to improve the standard of living of children would be through making the personal exemption in the current income tax a refundable tax credit,[7] meaning that families would qualify for this credit whether they incurred a tax liability or not. Unlike the social insurance system, this exemption would benefit minority groups as much as or more than white Americans. It could be supplemented with special health insurance for children, funded from a portion of the tax credit that would not be refunded to parents. It is difficult to understand why a national health insurance program for children is less desirable and acceptable than a national health insurance program for the aged. The need for such a program is suggested by the high level of black infant mortality.

The major problem for the parents of poor minority children appears to be their inability to find and keep jobs that enable them to support their families. Workfare is designed to force parents to work but does nothing for individuals who move on and off of public assistance or for low-wage earners who never utilize public assistance. To help all unemployed and low-wage earners, we need programs that create jobs and policies that reward people for working. Creating jobs appears to be very difficult,[8] but CETA did create public service jobs and working in these jobs increased the earnings capacity of participants, especially women and the very disadvantaged.[9] An expansion of the earned income tax credit appears to be an effective way to reward people for working at low-wage jobs.[10]

Another area in which social policy discussions should be concentrated is homelessness. Peter Rossi's paper presented at the conference affirmed that blacks and American Indians are overrepresented among the homeless, at least in one major metropolitan area, Chicago. This may be due to their overrepresentation among the long-term poor. Whatever the cause, solutions to the problems of the homeless will be very beneficial to members of minority groups.

Finally, the apparent success of the Indian Health Service in improving the health of reservation Indians suggests that geographical targeting of health care may be an effective way to improve the health status of members of minority groups. The highest infant mortality rates are in the central cities of major metropolitan areas. Those who are concerned with health policy might do well to consider the nature of barriers to health care in these areas and develop specific strategies for overcoming these barriers that parallel the efforts of the Indian Health Service on reservations. ■

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[1] Sheldon H. Danziger and Robert Plotnick, "Poverty and Policy: Lessons of the Last Two Decades," *Social Service Review 60* (March 1986), 34-51.

[2] U.S. Bureau of the Census, *General Population Characteristics* (Washington, D.C.: U.S. GPO, 1983).

[3] A breakdown of AFDC recipients by race in 1983 showed that 41.8 percent were white non-Hispanic, 43.8 were black, 12 percent were Hispanic, 1 percent were American Indian and 1.5 percent were Asian (Committee on Ways and Means, U.S. House of Representatives, *Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means, 1986* [Washington, D.C.: U.S. GPO, 1986], p. 392.

[4] *Statistical Abstract of the United States, 1986* (Washington, D.C.: U.S. GPO, 1985).

[5] Lawrence S. Root and John E. Tropman, "Income Sources of the Elderly," *Social Service Review 58* (September 1984), 384-403.

[6] John J. Antel, "The Inter-Generational Transfer of Welfare Dependency: Program Effects on Future Welfare Recipiency," report prepared for the U.S. Department of Health and Human Services, 1986.

[7] Danziger and Peter Gottschalk, "A New War on Poverty," *New York Times*, March 22, 1987, Business Section, p. 2.

[8] Edward M. Gramlich, "The Main Themes," in Danziger and Daniel H. Weinberg, eds., *Fighting Poverty: What Works and What Doesn't* (Cambridge, Mass.: Harvard University Press, 1986).

[9] Laurie J. Bassi and Orley Ashenfelter, "The Effect of Direct Job Creation and Training Programs on Low-Skilled Workers," in Danziger and Weinberg, eds., *Fighting Poverty.*

[10] Danziger and Gottschalk.

Small grants

New competition

The Institute and the U.S. Department of Health and Human Services will sponsor the seventh competition under the Small Grants program for research on poverty-related topics during the period July 1988 through June 1989. Four grants of up to $12,500 each are available for work during the summer of 1988; these grants do *not* require residence in Madison. One or two grants of up to $25,000 each are planned for visitors in residence at Madison or at the Department of Health and Human Services during the 1988–89 academic year. Guidelines will be available from the Institute after November 1, 1987. Application deadline will be February 15, 1988.

Round VI awards

Awards in the competition for work to be carried out from July 1987 through June 1988 were made for the following studies:

Accommodating the Joint Demands of Work and Family: Government-Mandated Maternity and Parental Leaves

Several states have already required that maternity leaves be granted to women working in paid positions, and the U.S. Supreme Court recently upheld the legality of such legislation. This research will address the question of whether maternity leaves tend to help or hinder the labor market position of working women who bear children. Will the availability of the leaves encourage women to remain in the labor force, thus resulting in higher wages for them in the long run? On the other hand, when firms are required to grant maternity leaves, will they hire fewer women who are likely to take such leaves, or pay them lower wages? Data from the Panel Study of Income Dynamics and the Current Population Surveys will be used. Principal investigator: Eileen Trzcinski, University of Connecticut.

Interactions among Social Welfare Programs: Understanding and Benchmarking the System

Our welfare system is currently the subject of diverse proposals for reform, yet the complex way in which it operates means that its present form is not always well understood. This research will analyze the interactions among major social welfare programs in a representative set of states. It will examine the extent of public support—in the form of, for example, Medicaid, AFDC, social security, and tax credits—provided to different types of households: families with and without children, low-income individuals, and the elderly. Principal Investigator: Gordon H. Lewis, Carnegie Mellon University.

Welfare Receipt and Individual Preferences: Estimating the Effect of Preferences on Welfare Receipt and the Effect of Welfare Receipt on Preferences

This study will attempt to determine whether welfare recipients place a value on unearned and earned income that differs from that placed by those who do not receive welfare. It will then investigate whether the receipt of welfare in turn alters attitudes so as to encourage continued welfare dependency of recipients. The analyses will employ data from the Panel Study of Income Dynamics on women who divorced or separated between 1969 and 1982. Principal Investigator: Saul D. Hoffman, University of Delaware.

Work and Health Status among Older Persons: An Analysis of Race Differences

Older persons frequently cite health problems as the reason for their retirement from work, and it is detachment from the labor force that especially impairs the economic circumstances of the elderly. Using the Supplement on Aging of the National Health Interview Survey, this project will examine racial differences in the extent to which health status influences employability among those aged 60–84. It will seek to identify the relative importance of several factors: health, social background, income sources, and support from children, siblings, and community. Principal Investigator: Diane R. Brown, Howard University.

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