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Are we *Losing Ground?*

Charles Murray's *Losing Ground: American Social Policy, 1950-1980*[1] has attracted much attention. Some find it the definitive analysis of what has happened to the poor in this country since the 1960s, when social programs were greatly expanded as a result of the War on Poverty and as part of the Great Society. Others consider the analysis a flawed attack on social programs to aid the poor. Among those who disagree with Murray, some quarrel with his choice of data and others take issue with his interpretations. All agree that the book, in calling to account government policies designed to help the poor, has focused attention on the many complicated interrelated factors—economic, demographic, and moral—that determine how poor people get by in this country.

Murray's position

Murray contends that in the face of increasing expenditures to aid the poor since 1965, their numbers have grown and their circumstances have worsened. His examination of data for the period from 1950 to 1980 leads him to believe that as spending upon the poor expanded, progress against poverty not only stopped, but unemployment rose, the quality of education declined, crime increased, and there was an acceleration in the breakdown of the family.

He argues that the programs of the Great Society arose from a changed outlook on the part of those who determine public policy ("the elite wisdom"). According to Murray, the intel-

lectual consensus on the cause of poverty shifted in the 1960s from the view that an individual was responsible for his or her own well-being to the view that the system was at fault. This conviction was strengthened by the civil rights movement, which made many whites more fully aware that great inequities in opportunity existed. The new consensus, Murray maintains, had vast ramifications for poverty, race relations, education, crime, and the role of government. Public policy was extended beyond the provision of equality of opportunity in the direction of equality of outcome: handouts were offered instead of a hand up, as transfer programs for the poor expanded. In freeing the poor from responsibility for their own circumstances, this new consensus, embodied in government programs, altered their lives for the worse:

> A government's social policy helps set the rules of the game—the stakes, the risks, the payoffs, the tradeoffs, and the strategies for making a living, raising a family, having fun, defining what "winning" and "success" mean. The more vulnerable a population and the fewer its independent resources, the more decisive is the effect of the rules imposed from above. The most compelling explanation for the marked shift in the fortunes of the poor is that they continued to respond, as they always had, to the world as they found it, but that we—meaning the not-poor and the un-disadvantaged—had changed the rules of their world. . . . The first effect of the new rules was to make it profitable for the poor to behave in the short term in ways that were destructive in the long term. Their second effect was to mask these long-term losses—to subsidize irretrievable mistakes (p. 9).

In what he calls a "thought experiment," to serve "as a device for thinking about policy, not as a blueprint for policy" (p. 220), Murray proposes that it would better the situation of poor people, and especially the minority poor, if we returned to the status quo ante (the 1950s):

> The proposed program, our final and most ambitious thought experiment, consists of scrapping the entire federal welfare and income-support structure for working-aged persons, including AFDC, Medicaid, Food Stamps, Unemployment Insurance, Workers' Compensation, subsidized housing, disability insurance, and the rest. It would leave the working-aged person with no recourse whatsoever except the job market, family members, friends, and public or private locally funded services. It is the Alexandrian solution: cut the knot, for there is no way to untie it (pp. 227–28).

Having hypothesized this extreme position, Murray starts to tie the knot again: "Our first step is to re-install the Unemployment Insurance program in more or less its previous form" (p. 230). Next he pictures a woman "presenting the local or private service with this proposition: 'Help me find a job and day-care for my children, and I will take care of the rest.' " This suggests the need for programs that differ from existing ones in that they would be provided by either local governments or the private sector. He then states, "Hungry children should be fed; there is no argument about that" (p. 233). How, if food stamps and other transfers are eliminated, he doesn't say. But though Murray sees the necessity for some assistance to some of the poor, he maintains that their conditions deteriorated as the federal initiatives associated with the War on Poverty and Great Society gained momentum and that the culprits are the very programs put in place to aid the poor.

Many analysts have registered their differences with Murray's interpretations of recent trends and his policy recommendations.[2] This article highlights the critiques made by researchers at the Institute for Research on Poverty, who have assembled their arguments in an IRP Special Report, *Losing Ground: A Critique* (see box).

Losing Ground: A Critique

by

Sara McLanahan
Glen Cain
Michael Olneck
Irving Piliavin
Sheldon Danziger and Peter Gottschalk

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Trends in poverty

Murray begins with the Institute's time series on pretransfer poverty—the number of poor persons with incomes below the official poverty line before receiving governmental transfers—which he relabels "latent poverty." He extends this series back to 1950. The percentage of persons who are classified as pretransfer poor dropped from 33 percent in the 1950s to about 21 percent in 1965, and was down to 18.2 percent in 1968, when Murray says the poverty programs began to take effect. After that date, even though more money was spent on social programs, the figure rose, reaching 19 percent by 1972, 21 percent by 1976, and 22 percent by 1980 (p. 65). Murray calls latent poverty the most "damning" of statistics because "economic independence—standing on one's own abilities and accomplishments—is of paramount importance in determining the quality of a family's life. . . . For this indepen-

dence to have *decreased* would be an indictment of the American system whenever in our history it might have occurred" (p. 65).

Murray argues further that blacks (whom he uses throughout his book as a proxy for the poor) have gained not at all under the Great Society programs. In his Figure 4.4 (p. 62) he shows that whereas poverty (after transfers) among working-aged blacks dropped precipitously between 1959 and 1969, from 58 percent to 30 percent, a decade later—the very decade during which there was the high growth in social spending—progress stopped.

Sheldon Danziger and Peter Gottschalk of the Institute interpret the trend in pretransfer (latent) poverty differently. They find that the growth in pretransfer poverty coincides with rising unemployment as well as with the growth in social programs for the poor:

> As unemployment dropped between 1965 and 1969, pretransfer poverty declined. Since then, unemployment and pretransfer poverty have trended upward. Throughout the 1970s, the poverty-increasing impact of rising unemployment was offset by rising transfers. When transfers stopped growing and unemployment continued to rise, the official poverty rate rose by 1983 to the level of the late 1960s.[3]

Danziger and Gottschalk cite the growing gap between pretransfer poverty and poverty after transfers, especially if in-kind transfers are valued, as evidence of the increased importance of transfers in reducing poverty.

They argue that the importance of transfers in reducing poverty is unambiguous for the group with the largest increase in transfers—the aged poor. Poverty as officially measured among the aged has been reduced by between 30 and 50 percent since 1967 (see Table 1). Public spending on this group and the totally disabled, primarily through Social Security, Medicare, and Medicaid, accounted for over 75 percent of all 1980 expenditures for major income transfer programs. Another approximately 18 percent was spent on programs for those who were neither elderly nor totally disabled—chiefly Unemployment Insurance and Workers' Compensation. Thus, though the subtitle of Murray's book is broad: "American Social Policy, 1950–1980," he is in fact emphasizing only the 7.3 percent of the 1980 income transfers that go to nondisabled, nonelderly recipients of AFDC and food stamps.

Danziger and Gottschalk also reject Murray's conclusion that blacks lost ground relative to whites as a result of increased transfers. They argue that poor blacks did benefit from the changes in social policies. Though blacks remain poorer than whites after transfers, the poverty rate of nonwhite households with male heads and with children present declined in the period 1967–80 from 28.4 to 16.9 percent (see Table 1). At the same time poverty among comparable whites increased slightly, from 7.5 percent to 7.8. According to Danziger and Gottschalk, Murray's comparison of poverty rates of all blacks to those of all whites does not show these advances because nonwhites have become increasingly likely to live in households headed by women. Although the poverty rate for households headed by women remains consistently high, it did decline for blacks, but not

Table 1

Official Incidence of Posttransfer Poverty for Persons Classified by Demographic Group of Their Household's Head, 1967–1980

	All Persons	Aged Household Head		Nonaged Household Head			
		Whites	Nonwhites	White Men with Children	Nonwhite Men with Children	White Women with Children	Nonwhite Women with Children
1967	14.3%	27.0%	52.0%	7.5%	28.4%	38.2%	68.5%
1980	13.0	13.2	35.7	7.8	16.9	39.1	58.3
% Change 1967–80	−9.1	−51.1	−31.3	+4.0	−40.5	+2.4	−14.9

Source: Danziger and Gottschalk, *Losing Ground: A Critique*, p. 79. Computations by the authors from March Current Population Survey data tapes.

whites. Danziger and Gottschalk contend that unless the poverty programs caused this increase in families headed by women, a hypothesis they reject, the programs have improved the relative circumstances of the black poor.

All agree, however, that progress against poverty was disappointing in the 1970s. The official measure of the incidence of poverty showed a fairly steady decline from 22.4 percent in 1959 to 11.1 percent in 1973, at which time it began to rise, reaching 13 percent in 1980 and 15.2 percent in 1983, before falling to 14.4 percent in 1984. But why is poverty higher today than in the early 1970s?

Murray hypothesizes that the cause was the shift in social policy, not a lagging economy. He argues that the period from 1970 to 1979 was one of strong economic growth: "Even after holding both population change and inflation constant, per capita GNP increased only a little less rapidly in the seventies than it had in the booming sixties, and much faster than during the fifties. Growth did not stop. But, for some reason, the benefits of economic growth stopped trickling down to the poor" (p. 59).

Glen Cain of the Institute blames the economy. He states that progress in fighting poverty stopped in 1973 because 1973 was the first year of a steady economy-wide decline in real earnings and family income, as measured by white median income.[4] (See Table 2.) He argues that "trends in earnings and incomes of workers and families are critically important, because poverty is a household or family concept. Median household income and earnings are logically and historically the principal correlates of poverty,"[5] whereas per capita GNP is only indirectly related to poverty. Per capita income may rise even though earnings are declining, simply because of a reduction in the proportion of children (or other dependents) in the population. From 1960 to 1980 the proportion of the population under age 15 did fall, from 33 percent to 24 percent. That GNP per capita can increase at the same time that poverty is increasing and family income is declining is demonstrated by Cain in Table 3. In this example, a decline in wage rates and an increase in the number of households cause poverty to increase, even though the number of workers and GNP per capita also increase.

Table 2

Median Money Incomes and Income Ratios for Black and White Male Workers, 1948–1982, in Constant 1982 Dollars

Year	Median Income		Ratio	Year	Median Income		Ratio
	Whites	Blacks	B/W		Whites	Blacks	B/W
1948	$ 10,064	$ 5,465	.54	1965	$ 16,185	$ 8,710	.54
1949	10,006	4,844	.48	1966	16,631	9,212	.55
1950	10,862	5,899	.54	1967	16,901	9,653	.57
1951	11,524	6,346	.55	1968	17,388	10,551	.61
1952	11,837	6,487	.55	1969	17,812	10,508	.59
1953	12,237	6,760	.55	1970	17,428	10,490	.60
1954	12,080	6,011	.50	1971	17,248	10,351	.60
1955	12,776	6,724	.53	1972	18,029	11,100	.62
1956	13,558	7,113	.52	1973	18,360	11,551	.63
1957	13,402	7,096	.53	1974	17,330	11,135	.64
1958	13,275	6,614	.50	1975	16,679	10,511	.63
1959	13,937	6,561	.47	1976	16,849	10,540	.63
1960	14,003	7,367	.53	1977	16,889	10,326	.61
1961	14,290	7,385	.52	1978	16,945	10,796	.64
1962	14,859	7,318	.49	1979	16,363	10,604	.65
1963	15,151	7,874	.52	1980	15,612	9,786	.63
1964	15,361	8,708	.57	1981	15,172	9,624	.63
				1982	14,748	9,493	.64

Source: Cain, *Losing Ground: A Critique*, p. 11, from U.S. Bureau of the Census, *Current Population Reports*, Series P-60, No. 142, "Money Income of Households, Families, and Persons in the United States: 1982" (Washington, D.C.: GPO, 1984), Table 40.

Table 3

Illustrating How a Decrease in the Dependency Ratio Can Increase per Capita Income, Decrease Family (or Household) Income, and Increase Poverty

Assume the economy has six persons in time periods 1 and 2.

Demographic Unit	Family or Household Income	Poverty Level (By Size of Household)*
Period 1: (A high-fertility population.)		
One family: 2 adults, 3 children	$12,000	$11,884
One household of 1 adult	$6,000	$5,019
Per capita income = $3,000 (= $18,000/6)		
Dependency ratio = 50 percent (= 3 children/6-person population)		
Incidence of poverty = 0 percent		
Period 2: (Twenty years later: It is assumed that marriage rates, birth rates, and wages for working adults have all declined.)		
One family: 2 adults, 2 children	$9,000	$9,862
Two one-person households of adults	$5,000 $5,000	$5,019 $5,019
Per capita income = $3,167 (= $19,000/6)		
Dependency ratio = 33 percent (= 2 children/6-person population)		
Incidence of poverty = 100 percent		

Source: Cain, *Losing Ground: A Critique*, p. 14.
Note: Per capita income rose in period 2, yet every household has a lower income, which is now below the poverty line, and each family member in the multiple-person household has a lower income.
*These are the poverty-level incomes in 1982 for households of sizes 5, 4, and 1 (see *Statistical Abstract of the United States, 1984* [Washington, D.C.: GPO, 1983], p. 447).

A key factor supporting Murray's contention that the increase in government benefits contributed to increased poverty is his interpretation of the negative income tax (NIT) experiments.[6] Murray says that these experimental programs caused large reductions in work effort among participants. Yet Cain points out that the experiments provided much higher benefits than existing welfare programs, which means that the work disincentive effects Murray cites are much larger than those of current programs. In any case, Cain considers the work disincentives of the experimental programs to be small. In the New Jersey experiments husbands reduced their work effort by less than 5 percent. Wives reduced their work by about 25 percent, but because they ordinarily spent so little time in the work force, this reduction amounted to only about 63 hours a year. In the more generous Seattle-Denver Income Maintenance Experiment, husbands and wives reduced their work by 9 and 20 percent respectively. The 20 percent reduction in the work of wives, given their generally low wages, would make little difference in the family's poverty status, and could well improve their lives if the wife substituted work in the home for outside work.[7]

Danziger and Gottschalk make the point that transfers can only increase posttransfer poverty if recipients cut back on their work so much that their loss of earned income exceeds what they get from the program. These researchers find that the actual increase in AFDC and food stamps between 1960 and 1972 would have decreased weekly work effort by only 2.2 hours. They conclude that such an effect is not "sufficiently large to warrant eliminating AFDC and food stamps."[8]

Unemployment and labor force participation

Despite the high unemployment rates and stagnant incomes of the 1970s and whatever disincentives were created by government programs, the number of workers grew because of the entrance of the baby-boom population and women into the work force. Given the many labor market interventions of the Great Society period, why didn't the poor—specifically black youth in the ghettos—get more jobs, which provide the best route out of poverty? Murray writes:

> If the 1950s were not good years for young blacks (and they were not), the 1970s were much worse. When the years from 1951 to 1980 are split into two parts, 1951–65 and 1966–80, and the mean unemployment rate is computed for each, one finds that black 20–24-year-olds experienced a 19 percent increase in unemployment. For 18–19-year-olds, the increase was 40 percent. For 16–17-year-olds, the increase was a remarkable 72 percent. . . . Something was happening to depress employment among young blacks. . . . For whatever reasons, older black males (35 years old and above) did well. Not only did they seem to be immune from the mysterious ailment that affected younger black males, they made significant gains (p. 73).

Not only were unemployment rates of black youth rising, their labor force participation rates (LFP) were declining. Furthermore, "the younger the age group, the greater the decline in black LFP, the greater the divergence with whites, and the sooner it began" (p. 78). In contrast with the figures for blacks, the LFP for white youth showed little change.

Though no one can take any comfort in the drop in the proportion of black employed youth, Glen Cain points out that Murray does not give due credit to the increased proportion of blacks enrolled in schools, which was a primary goal of many government programs. Cain shows that school enrollments rose for both white and black youth, that blacks

gained relative to whites, and that over the period 1960–79, increased enrollments were a major source of the decline in the LFPs of black teenagers.[9] Furthermore, Cain points out that Murray uses civilian labor force statistics, at a time when military service had become an increasingly important source of employment for young black men. This focus on civilian statistics understates the proportion of employed black youth, and at the same time is a reason for the decline in the civilian labor force. Cain's adjustments reduce the gap in labor force participation rates between blacks and whites from the average of 14.5 percentage points emphasized by Murray to an average of 5.5 percentage points.[10] According to Cain, though the unemployment rate of black youth is a very serious problem, the total picture is not as grim as Murray claims.

The chief reason for the higher labor force participation rates of white youth than black youth is that white teenagers in school are more likely to be working than are black teenage students. Cain offers a demand-side explanation for the difference, rejecting Murray's contention that the Great Society reduced the work ethic of blacks. Cain suggests that the major source of jobs for young whites in recent years has been in the shopping centers, supermarkets, and fast-food restaurants that have been growing rapidly in the suburbs where most whites live. In those central cities populated by blacks, stores have been closing down.[11]

Some attribute black youth unemployment to discrimination. Murray rejects this explanation. He points out that those groups which in the past had suffered the greatest discrimination—the blacks competing for white-collar jobs—found their situation improved.

> During the years between 1959 and 1980, blacks made extraordinary progress in entering white-collar jobs: from only 14 percent of employed blacks in 1959 to 39 percent in 1980. . . . In 1959, the ratio of whites to blacks in white-collar jobs was 3.2 to 1. In 1980 the ratio had fallen to 1.4 to 1 (p. 86). There is now a broad scholarly consensus that the gains in income parity are real and large among that subpopulation of blacks who obtained an education and stayed in the labor force. . . . It may be that, for all practical purposes, the racial difference has disappeared for this one subgroup (p. 89).

Education has been shown to pay off for blacks. According to Murray, "At some point between 1959 and 1962, blacks entering the labor force found a market in which their percentage increase in wages per unit of education was greater than that of whites. By 1965, the increase for blacks was more than half again as large as the increase for whites" (p. 90). Though this statement is controversial, Murray and his critics agree that black wage earners as a whole have made gains both absolutely and relative to whites since the War on Poverty began.[12] Black men's incomes relative to whites have increased (Table 2), and the incomes of black women have almost reached those of white women.

Is Murray right in stating that changes in social policies "radically altered the incentive structure" (pp. 167–68) and led to outcomes that were the opposite of what the planners of the War on Poverty and Great Society intended? What prevents black youth and other poor persons from getting an education or on-the-job training that will open up the possibility of escape from poverty? Have government-induced changes in family structure, schools, and the criminal justice system led to increases in poverty?

The family

Nothing has been more disquieting in recent years than changes in family structure. For many years AFDC has been blamed for the rise in illegitimate births and for the increased divorce rate. Indeed the common public perception of the AFDC mother is that of a woman who chooses to have children so that she can become eligible for welfare, or whose husband adandons her so that she can receive benefits.

Murray presents a description of the economic and family decisions of an imaginary couple, Phyllis and Harold, to bolster his argument that changes in social policies have been counterproductive. He argues that if Phyllis had become pregnant and had a child in 1960, this couple would have been better off financially if they had married and Harold had taken a low-paying job. But, owing to more generous welfare benefits and changed regulations, their rational choice in 1970 was not to marry but to live together (a choice made possible by the abolition of AFDC's man-in-the-house rule, which had held a man living with a woman responsible for her children's support). Phyllis could then draw benefits which totaled more than Harold could earn if he worked for the minimum wage. Furthermore, Phyllis could supplement her AFDC benefits by working. This arrangement would free Harold to work when and if he chose.

Many people have disputed Murray's presentation of Harold and Phyllis's choices. Robert Greenstein has pointed out that in Pennsylvania (the state Murray selected for his example)

AFDC benefits are higher than in other states, and that Murray counts food stamps as part of the welfare package but not as part of the work package, though food stamps are available to all low-income families, two-parent or not, employed or not. Greenstein states that "taking a minimum-wage job was more profitable than going on welfare in most parts of the country in 1970. In some states with low welfare payments, such as southern states, minimum-wage jobs paid almost *twice* as much."[13] Murray, in his reply to Greenstein, says that *Losing Ground* underestimates the size of the 1970 package "by valuing Medicaid far below any of the commonly used figures. I left out the value of food supplements, school lunches, and other services. I did not include housing allowances."[14]

Certainly welfare benefits and rule changes did make welfare a more viable option in 1970 than it had been in 1960. But whether it led to changes in family structure is another matter. In a review of Murray's book, Christopher Jencks presents a wholly different picture of Harold's options:

> In 1960, according to Murray, Harold marries Phyllis and takes a job paying the minimum wage because he "has no choice." But the Harolds of this world have always had a choice. Harold can announce that Phyllis is a slut and that the baby is not his. . . . From an economic viewpoint . . . Harold's calculations are much the same in 1970 as in 1960. Marrying Phyllis will still lower his standard of living. The main thing that has changed since 1960 is that Harold's friends and relatives are less likely to think he "ought" to marry Phyllis. . . . Since Harold is unlikely to want to support Phyllis and their child, and since Phyllis is equally unlikely to want to support Harold, the usual outcome is that they go their separate ways.[15]

Murray does not base his contention that welfare destabilizes families on the assumption that women have babies simply to get welfare, which in any case, has been challenged by David Ellwood and Mary Jo Bane. They show that illegitimacy is no greater in states having generous AFDC benefits than in states having meager ones. They conclude that "differences in welfare do not appear to be the primary cause of variation in family structure across states, or over time. Largely unmeasurable differences in culture or attitudes or expectations seem to account for a large portion of differences in birth rates to unmarried women and in divorce and separation patterns among families with children."[16]

Murray counters that the relationship between AFDC and illegitimacy is discontinuous and that all states currently have benefits high enough to make it possible for an unmarried pregnant woman to have and keep her baby.

> A break point exists at which the level of welfare benefits is sufficiently large that it permits an alternative to not having (or not keeping) the baby that would otherwise not exist. Once this break point is passed, welfare benefits become an enabling factor: they do not cause single women to decide to have a baby, but they enable women who are pregnant to make the decision to keep the baby. If in all states the package of benefits is already large enough to have passed the break point for a large proportion of the potential single mothers, then the effects on increases in the welfare package as measured by Ellwood and Bane will be very small.[17]

Sara McLanahan, an IRP researcher, presents an argument against Murray's claim that welfare benefits have been a major cause of the great growth in illegitimacy among blacks. She points out that while the illegitimacy ratio (the ratio of nonmarital births to all live births), which Murray uses to make his point, does take off in the mid-sixties, along with the growth in Great Society programs, the illegitimacy rate (the ratio of nonmarital births to the total number of women in the childbearing age range) does not. "For black women, the illegitimacy rate rose sharply between 1945 and 1960, leveled off between 1960 and 1965, and began to decline after 1965."[18] In other words the illegitimacy rate was declining during most of the time that welfare benefits were increasing, and when—according to Murray—the Phyllises of the world were choosing to use them. If pregnant women were choosing to have their children out of wedlock in response to rising welfare benefits, the illegitimacy rate should have been increasing, all else being equal.

Of course, all else was not equal, and the trend in the illegitimacy rate does not, in and of itself, disprove Murray's thesis. As a starting point, however, McLanahan argues that

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Institute for Research on Poverty
1180 Observatory Drive
3412 Social Science Building
University of Wisconsin
Madison, Wisconsin 53706

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it is a better statistic than the illegitimacy ratio, which has all the limitations of the rate *and* is highly sensitive to trends in marriage and marital fertility. The reason the two trends (the rate versus the ratio) look so different for black women after 1965 is that marriage rates and marital fertility were declining even faster then nonmarital fertility.

Furthermore, the decline in marriage cannot be explained by increases in welfare, since this decline during the late sixties and early seventies was more pronounced for nonpregnant women than for pregnant women. Otherwise the illegitimacy rate would have gone up rather than down. McLanahan suggests that the decline in marriage, as well as the growth of female-headed families, may be "a response to improvements in the employment opportunities of women relative to men, and especially black men."[19] But this explanation raises the question once more of why so many fewer young black men are working.

Murray believes that the elimination of AFDC and other welfare programs "would drastically reduce births to single teenage girls. It would reverse the trendline in the breakup of poor families. It would measurably increase the upward socioeconomic mobility of poor families" (p. 227). The extent to which it would remedy these ills is disputed. Eliminating welfare will of course have a drastic impact upon women now on AFDC. In a study of the prospects for self-sufficiency of AFDC recipients, David Ellwood points out that the idea that welfare income can largely be replaced by earnings is without foundation. Although welfare mothers can become self-supporting if they work full time the full year, this is not the typical pattern of mothers of young children, whether heads of households or wives. The norm is still for mothers to spend considerable time with their children. Because few women on AFDC work full time, earnings alone seldom provide the solution to poverty among single-parent households. Furthermore, the two principal factors that enable women to work their way off of welfare are previous work experience and schooling. The prospects for young unmarried mothers without a high school degree are therefore not encouraging.[20]

Murray argues that single mothers who cannot support their children will have to marry or move in with relatives. His contention that AFDC enables them to live alone (or with their lovers) is supported by Ellwood and Bane, who have found that high AFDC benefits do have an effect on the living arrangements of one small group—young unmarried mothers—who are more likely to set up their own households in high-benefit states than to live with their parents.[21]

Education

As with the breakdown of the family, Murray links the growth of federal spending upon education to deterioration of the schools and a widening of the gap between the achievements of blacks and whites. He paints a picture in which blacks made gains before 1965, especially in enrollment. Black enrollment in high school rose from 76 percent of those between ages 14 and 17 in 1950 to virtual parity with whites, at 92 percent, by 1965 (p. 98). From 1960 to 1970, college enrollment of blacks aged 20–24 rose from 7 to 16 percent (p. 99). In 1977 24 percent of blacks aged 20–24 were enrolled in school, compared to 23 percent of whites in the same age group. But ironically, at the same time that blacks were reaching this parity, claims Murray, the value of a diploma in terms of achievement declined. He quotes from the National Commission on Excellence in Education:

> Each generation of Americans has outstripped its parents in education, in literacy, in economic attainment. For the first time in the history of our country, the educational skills of one generation will not surpass, will not equal, not even approach, those of their parents (Paul Copperman, quoted by the Commission, Murray's p. 101).

He concludes that whereas education for the disadvantaged was probably improving during the 1950s and early 1960s, nothing was accomplished by the subsequent federal investment in elementary and secondary education for the disadvantaged, and "after the mid 1960s, public education for the disadvantaged suffered as much as, and probably even more than, education for youth in general" (p. 101). He says that whereas the black-white gap in achievement appeared to be smaller in 1965 than it had been in 1960, "as of 1980 the gap in educational achievement between black and white students leaving high school was so great that it threatened to defeat any other attempts to narrow the economic differences separating blacks from whites" (p. 105).

He attributes this deterioration of achievement among blacks to the mind-set of the sixties—due process invaded the public schools, making adminstrators and teachers vulnerable to lawsuits if they suspended or otherwise disciplined students, and a general desire to help blacks get ahead meant lowering standards to avoid embarrassment when only whites received academic awards in mixed schools.

Murray terms the magnet schools an inherently good idea that failed because educators did not have the courage of their convictions. When enough gifted black students could not be found, they used quota systems, filling in with black students with lower potential, and giving whites the impression that even the brightest black students were not competitive with white students (pp. 183–84). He faults government programs for concentrating on the mentally retarded, the disturbed, and the learning-disabled, instead of helping the bright and motivated students.

Yet Michael Olneck, an IRP affiliate, disputes Murray's basic premise. According to Olneck, "blacks, on average, stood in no worse relation to whites in 1980 than they did in 1965, and may well have made gains."[22] He points out that high school enrollment in fact increased after 1965, because blacks who were enrolled in school were more likely to graduate than drop out. He maintains that high school graduation rates converged by race at least through 1978. Further-

more, because the poorer students are the ones most likely to drop out, the fact that they now remain in school will lower black average test scores in the higher grades. Nevertheless, Olneck says, blacks did not drop back in relation to whites in achievement. Olneck demonstrates that even though the achievement gap between blacks and whites has not closed, it also has not widened (see Table 4).[23] He writes: "That there was an enormous achievement gap between the races in 1980, that there was a catastrophic difference between blacks and whites in SATs, for example, are things I think that I would be ready to join Murray in saying. To say, however, that there was a *worsening* trend since 1965 is simply not something for which I find evidence."[24]

Olneck does not, nor do other reviewers of social programs, point to much success from the many remedial education programs that have been attempted. Ten years after the first programs were implemented the general conclusion being drawn was that nothing worked.[25] Today there are grounds, if not for optimism, at least for hope. In a paper evaluating education and training programs in 1985, Nathan Glazer states:

> A consensus has emerged on the educational changes of the 1970's and early 1980's which presents some modest encouragement for those who believe that "something can be done," but also raises some very serious questions when we consider what more can be done, particularly for those ages in which preparation for transition to work or college is being completed, and where we have done so badly.[26]

Despite the limited results of most education programs, poverty rates clearly are lower for those with greater education; and it remains the common wisdom that one of the primary ways to overcome poverty is to invest more money in educa-

Table 4

White-Black Gap in Standardized Test Scores (in terms of total standard deviation)

Year	Sample	Grade	Test	Gap (SD)	Source
1960	Project TALENT	9	Composite	1.28	Murray, Table 13, p. 253
1965	EEOR (Coleman Report)	6	Verbal	1.00	Smith in Mosteller and Moynihan[a]
		9	Verbal	1.00	
		12	Verbal	1.01	
1972	NLS 1972	12	Composite	1.10	Direct calculation
1980	High School and Beyond	10	Composite	0.96	Direct calculation
		12	Composite	0.82	Direct calculation
1980	SAT	11 & 12	Verbal	1.04	Murray, Table 16, p. 255[b]
			Math	1.05	
1980	U.S. Department of Defense	18–19 yrs.	Armed Forces Qualification Test	1.05	Murray, Table 15, p. 254[b]
		20–21 yrs.	AFQT	1.14	
		22–23 yrs.	AFQT	1.20	
1982	High School and Beyond	12	Composite	0.96	Direct calculation
		12 plus dropouts	Composite	0.93	Direct calculation

Source: Olneck, *Losing Ground: A Critique*, p. 46.

[a](White mean − black mean)/1.05 SD_W. These data indicate that the SD for the total population is approximately equal to 1.05 times the SD for whites. EEOR data are from Marshall S. Smith, "Equality of Educational Opportunity: The Basic Findings Reconsidered," in F. Mosteller and D. P. Moynihan, eds., *On Equality of Educational Opportunity* (New York: Random House, 1972).

[b]Age-specific SDs averaged, and used consistently.

tion. In this wisdom Murray evidently concurs. As part of his thought experiment for educational reform, Murray proposes free tuition up to and including graduate school.

Crime

"During the late 1960s and early 1970s, crime of all types did, in fact, soar" (p. 115). Murray further states that the rise among blacks was much greater than the rise among whites. He explains the increase in crime by pointing out that those who committed crimes were less likely to be arrested, and those who were arrested were less likely to go to prison. He mentions other Great Society changes that tipped the scales against the forces of law and order: Poor persons began to be accorded equal protection under the law, and access to the records of juvenile offenders was restricted. These changes were part of a larger picture: "The changes in welfare *and* changes in the risks attached to crime *and* changes in the educational environment reinforced each other" (p. 167). The results were that "the increase in arrests for violent crimes among blacks during the 1965–70 period was seven times that of whites" (p. 118). "The jump in black arrests for violent crimes (and, for that matter, for property crimes) was too sudden, too large, and lasted too long to be dismissed as just an anomaly of a turbulent decade" (p. 119).

Again, an Institute researcher disputes the attribution of causality from the Great Society programs to increases in crime. Irving Piliavin points out that the relative increase of nonwhite arrest rates was less than that of whites: "Overall, between 1960 and 1980 the relative increase in white arrest rates was 30 percent higher than that of nonwhites for property crimes and more than 300 percent higher than that of nonwhites for violent crimes."[27]

Murray argues that it is inappropriate to compare *rates* because "the black baseline rate was many times higher than the white baseline rate, decisively affecting the nature of the proportional change represented per unit change in the arrest rate" (p. 281, note 7). He maintains that there is a qualitative difference between the number of crimes committed by blacks before and after 1965.

Piliavin points out that the use of blacks as a proxy for the poor breaks down in the area of crime, because there has always been a strong relationship between poverty and crime. Therefore the whites with which Murray compares blacks are in fact poor whites, and the violent crime records for this subset of the poor (i.e., the white poor) do not coincide with the Great Society programs at all. White violent crime increased steadily from 1960 on. Furthermore, "poor nonwhites *and* poor whites experienced massive increases in property crime rates between 1965 and 1970, but both groups also had substantial increases (more so among whites) between 1960 and 1965, a period preceding the criminal justice changes that Murray believes led to the crime explosion of the late 1960s."[28]

Piliavin also points out that changes in the criminal justice system did not curtail the activities of the police. "At each five-year observation from 1960 through 1975, police arrested more individuals and at a higher rate per 100,000 population . . . than at previous observation points."[29] Despite increased efforts on the part of the police, crime rates rose. Nor was there any connection between a decline in the imprisonment of arrested offenders and increases in crime rates. "If the 1965–70 crime rate increases were due to changes in prison-sentencing practices during this period, the relationship is far from obvious."[30]

And yet, of course, something has changed. Life is much less safe than it used to be. Murray quotes a study that shows "at 1970 levels of homicide, a person who lived his life in a large American city ran a greater risk of being murdered than an American soldier in the Second World War ran of being killed in combat" (p. 117).

What does social science research suggest about the causes of the increase in crime, the decline in educational achievement, and changes in family structure, if Murray's critics are correct in concluding that these trends were not caused or exacerbated by the Great Society programs?

Social science research: What we know and what we don't know

The last section of Murray's book is titled "Escapism." In it he writes: "What should worry us . . . is a peculiar escapism that has gripped the consideration of social policy. It seems that those who legislate and administer and write about social policy can tolerate any increase in actual suffering as long as the system in place does not explicitly permit it" (p. 235). In a recent journal article he reiterates this point: "In many respects, the chief subject of *Losing Ground*'s indictment is not only the governmental reforms of the 1960s, but the inability, or reluctance, of modern social science to explore the questions it raises. *Losing Ground* examines the experience of the last thirty years of social policy and finds a variety of phenomena that demand explanation."[31]

While it is clear that the answers to numerous questions elude us, one has only to examine Murray's extensive citations to see how much has been learned in recent years. Indeed Gary Burtless and Robert Haveman argue that antipoverty programs have fallen into disfavor because they have been subjected to intense scrutiny and harsh evaluation.

> Society is not evenhanded in subjecting programs for the poor and nonpoor to experimental investigation. It has not examined transfers to the nonpoor with the same degree of intensity as it has examined those to the poor. We should therefore not be surprised that experimental scrutiny has been less kind to programs designed to benefit the poor.[32]

The social science community has regularly attempted to evaluate the effects of social programs. A recent example is Robert Lampman's *Social Welfare Spending: Accounting for Changes from 1950 to 1978*.[33] The papers presented in December 1984 at a conference, Poverty and Policy: Retrospect and Prospects, sponsored jointly by the Institute for Research on Poverty and the U.S. Department of Health and Human Services,[34] were another attempt to determine what has and has not worked, and why.

In fact, even though Murray's attack on Great Society programs has been vigorously challenged, there is little enthusiasm for merely expanding many of the existing programs he faults. Policy analysts, building on what has been learned, have suggested a variety of new antipoverty policies for the 1980s. Danziger and Gottschalk, for example, conclude that transfer programs are not an acceptable solution to the poverty of the working-aged poor, not because of their disincentives, which have been shown to be small, but because they do not provide work opportunities.[35]

They suggest, in addition to an expanded "workfare," special training programs for those who become long-term welfare recipients, and an increase in the incomes of those working for low wages through expansion of the Earned Income Tax Credit.[36] Again, existing research can be used to argue the strengths and weaknesses of this jobs strategy.

Irwin Garfinkel, an IRP affiliate, has proposed a Child Support Assurance program to require absent fathers to contribute to the support of their children. Whether or not the increased support payments can eventually reduce the number of households receiving AFDC is the subject of an ongoing research project at IRP.[37]

Even Murray's conclusion that more stress should be placed on the private sector and communities (pp. 229–31) can be evaluated on the basis of recent social science research. The fact that those communities with the greatest number of poor needing assistance are the poorest communities, with the fewest resources for the poor, raises some serious questions.[38] Furthermore, most philanthropy in the private sector is directed at the middle class (boy scouts, disaster relief) rather than the poor.[39] It is therefore rather unlikely that a single mother going to a private agency with the proposal, "Find me a job and child care and I will do the rest," is likely to receive what she needs.

Conclusion

The Institute researchers who have critically reviewed *Losing Ground* reject its broad condemnation of the Great Society. They severally find that the programs that evolved from the War on Poverty and the Great Society have achieved at least some of their goals. They do agree with Murray that something different must be done in the 1980s if poverty and crime are to be reduced, if families are to be stabilized and educational achievement improved. And they concur that government policy must promote self-reliance for people capable of work.

Murray's thought experiments have had the desired effect. They have dramatized the difficulties inherent in devising strategies to combat poverty.■

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[1]New York: Basic Books, 1984. Parenthetical page numbers in this article refer to Murray's book.

[2]Among the many reviews of Murray's book are Robert Greenstein, "Losing Faith in Losing Ground," *New Republic*, March 25, 1985, which continues in a debate between Greenstein and Murray in the April 8 issue; Christopher Jencks, "How Poor Are the Poor?" *New York Review of Books*, May 9, 1985; Richard D. Coe and Greg Duncan, "Welfare: Promoting Poverty or Progress?" *Wall Street Journal*, May 15, 1985. Several workshops and symposia have been held. A workshop at the Manhattan Institute was reported in *Manhattan Report*, 5:1, 1985. A symposium, "Alternatives to the *Losing Ground* Perspective," was part of the Conference of the American Public Welfare Association in Washington, D.C., May 7–8, 1985. Papers were presented by Joseph Goldberg, David Ellwood, Sar Levitan, Lee Teitelbaum, Vaughan Stapleton, Mary Jo Bane, Barbara Blum, and Eli Ginzberg. These papers will be published at a later date.

[3]Danziger and Gottschalk, "Social Programs—A Partial Solution to, but Not a Cause of Poverty: An Alternative to Charles Murray's View," in *Losing Ground: A Critique*, IRP Special Report no. 38, 1985, p. 78.

[4]Cain, "Comments on Murray's Analysis of the Impact of the War on Poverty on the Labor Market Behavior of the Poor," ibid., p. 10.

[5]Ibid.

[6]The two major negative income tax experiments were the New Jersey experiment and the Seattle and Denver experiment. The first is reported in three volumes in the IRP Monograph Series: *The New Jersey Income-Maintenance Experiment*. Volume 1, *Surveys and Administration*, is edited by David Kershaw and Jerilyn Fair (1976); volumes 2 and 3, *Labor-Supply Responses* and *Expenditures, Health, and Social Behavior*, are edited by Harold Watts and Albert Rees (1977). They are available from Academic Press, Orlando, Fla. The results of the second experiment are reported in U.S. Department of Health and Human Services, Office of Income Security Policy, *Overview of the Seattle-Denver Income Maintenance Experiment: Final Report* (Washington, D.C.: GPO, 1983).

[7]Cain, pp. 25–27, passim.

[8]Danziger and Gottschalk, "Social Programs," p. 85. Between 1972 and 1984 real benefits declined. That decline implies an increase in weekly work effort of 2 hours. Thus, the effect of the growth in AFDC and food stamps over the entire 1960–84 period is quite small.

[9]Cain, pp. 20–21.

[10]Cain, pp. 21–22.

[11]Cain, p. 23. Cain's explanation refers to the specific areas where white and black youth live, not suburbs and central cities in general. The central cities of the expanding Southwest and of the declining Northeast, for example, have quite different proportions of white and black populations. It should be noted that the use of an overall classification of central-city residence does not support Cain's explanation. David Ellwood and Lawrence Summers examine the employment status of youth who are not attending school, and they find that blacks living in central cities don't seem to fare much worse than those living outside the ghettos. They quote the 1980 census to show that 32 percent of those in central cities had jobs, whereas 38 percent of those living in the suburbs were working. This

compares with 62 percent for white youth. (These are figures for both sexes, but Ellwood and Summers speculate that the differences for men alone between the central city and the suburbs would be smaller.) See Ellwood and Summers, "Poverty in America: Is Welfare the Answer or the Problem?" Paper presented at conference, Poverty and Policy: Retrospect and Prospects, Williamsburg, Va., December 6-8, 1984, revised March 1985, p. 39.

[12]Cain, p. 16.

[13]Greenstein, "Losing Faith in *Losing Ground*," *New Republic*, March 25, 1985, p. 13.

[14]Murray, "The Great Society: An Exchange," *New Republic*, April 8, 1985, pp. 21-22. As with food stamps, however, two-parent households are eligible for other food supplements, school lunches, public housing benefits, etc.

[15]Christopher Jencks, "How Poor Are the Poor?" *New York Review of Books*, May 9, 1985, p. 44.

[16]Ellwood and Bane, "The Impact of AFDC on Family Structure and Living Arrangements," *Journal of Labor Research*, forthcoming.

[17]Murray, "Have the Poor Been 'Losing Ground'?" *Political Science Quarterly*, Fall 1985, p. 93.

[18]McLanahan, "Charles Murray and the Family," in *Losing Ground: A Critique*, p. 3.

[19]Ibid., p. 5. See also William Julius Wilson and Kathryn M. Neckerman, "Poverty and Family Structure: The Widening Gap between Evidence and Public Policy Issues." Paper presented at conference, Poverty and Policy: Retrospect and Prospects, Williamsburg, Va., December 6-8, 1984, revised February 1985.

[20]Ellwood, "Working Off Welfare: Policies and Prospects for Self-Sufficiency of Female Family Heads," IRP workshop paper, mimeo., 1985.

[21]Ellwood and Bane.

[22]Olneck, "Comments on Schooling," in *Losing Ground: A Critique*, p. 38.

[23]Olneck measures the gap using standard deviations (taken from Murray's Appendix). The standard deviation is a measure of dispersion or variation around the average in a distribution of values (e.g., years of education, test scores). It is calculated as the quotient of the square root of the sum of the squared deviations of individual values from the mean divided by the number of values or observations in the distribution. Expressing group differences as proportions of unit standard deviations allows one to measure changes in relative group differences over time.

[24]Olneck, p. 45.

[25]Nathan Glazer, "Education and Training Programs and Poverty; *or*, Opening the Black Box." Paper presented at conference, Poverty and Policy: Retrospect and Prospects, Williamsburg, Va., December 6-8, 1984, revised January 1985, p. 3.

[26]Ibid., p. 25.

[27]Piliavin, "The 1965-1970 Crime Increase as Seen by Charles Murray: A Critique," in *Losing Ground: A Critique*, pp. 60-62.

[28]Ibid., p. 64.

[29]Ibid., pp. 65-66. Murray counters that arrests per crime nonetheless declined.

[30]Ibid., p. 69.

[31]Murray, "Have the Poor Been 'Losing Ground'? " p. 95.

[32]Burtless and Haveman, "Policy Lessons from Three Labor Market Experiments," IRP Discussion Paper no. 746-84, March 1984.

[33]Orlando, Fla.: Academic Press, 1984.

[34]The edited proceedings will be published by Harvard University Press in spring 1986.

[35]Danziger and Gottschalk, "Social Programs," p. 88.

[36]Ibid., pp. 88-89.

[37]Ann Nichols-Casebolt, Irwin Garfinkel, and Pat Wong, "Reforming Wisconsin's Child Support System," IRP Discussion Paper no. 793-85, forthcoming.

[38]Michael Sosin, *Private Benefits: Material Assistance in the Private Sector* (Orlando, Fla.: Academic Press, forthcoming).

[39]Ibid.

Institute summer seminars 1985

The following seminars by IRP affiliates and visitors described their ongoing projects (copies of the papers can be obtained from the authors):

Sheila Ards, Carnegie-Mellon University, "White Female-Headed Families: What Explains Their Increase?"

J. S. Butler, Vanderbilt University, "Labor Market Re-entry and Mortality: A Bivariate Hazard Model with Correlated Heterogeneity Components"; and "Weighted Log-Likelihood Functions, Weighted Orthogonality Conditions, and Sample Design: An Application to Food Stamps"

Irwin Garfinkel, IRP, and Don Oellerich, University of Denver, "Estimating Absent Fathers' Incomes"

Peter Gottschalk, Bowdoin College, "Earnings Dynamics of Displaced Workers"

Robert Leu, Universities of Konstanz and Basel, "The Demand for Health and Health Care"

Maurice MacDonald, IRP, "Serial Multiple Benefits and Monthly Income Adequacy"

Robert Moffitt, Brown University, "An Econometric Investigation of the Effect of Converting Food Stamps to Cash"

Samuel Myers, Jr., University of Pittsburgh, "Methods of Measuring and Detecting Discrimination in Punishment"

Philip Robins, University of Miami, "Labor Supply Response to Welfare Programs: A Dynamic Analysis"; and "Job Search, Wage Offers, and Unemployment Insurance"

Verdon Staines, Department of the Treasury, Sydney, Australia, "Recent Developments in Australia's Aged Care Policies"

Michael Wiseman, University of California, Berkeley, "AFDC Caseload Dynamics and the OBRA Reforms"