



---

# Focus

---

Volume 10

Number 2

Summer 1987

---

**Special Conference Issue**  
**Poverty and Social Policy: The Minority Experience**

◦ Conference summary	1
Special reports	10
◦ The obligation to work and the availability of jobs: A dialogue between Lawrence M. Mead and William Julius Wilson	11
Recent books by IRP researchers	20
◦ Federal policy toward minorities: 1787–1980	21
◦ The declining economic status of Puerto Ricans	25
◦ Family policy and minority groups: Unanswered questions	28
◦ Some reflections on public policy	32
Small grants	34

ISSN: 0195–5705

---

## 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 antipov-erty 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,<sup>1</sup> 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.

---

FOCUS is a Newsletter put out three times a year by the

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

The Institute is a nonprofit, nonpartisan, university-based research center. As such it takes no stand on public policy issues. Any opinions expressed in its publications are those of the authors and not of the Institute.

The purpose of *Focus* is to provide coverage of poverty-related research, events, and issues, and to acquaint a large audience with the work of the Institute by means of short essays on selected pieces of research. A subscription form with rates for our Discussion Papers and Reprints is on the back inside cover. Nonsubscribers may purchase individual papers from the Institute at \$3.50 for a Discussion Paper and \$2.00 for a Reprint.

*Focus* is free of charge, although contributions to the U.W. Foundation–IRP Fund sent to the above address in support of *Focus* are encouraged.

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

Copyright © 1987 by the Regents of the University of Wisconsin System on behalf of the Institute for Research on Poverty. All rights reserved.

---

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
<i>Couples</i>																		
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
<i>Single Heads</i>																		
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 anti-poverty 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

---

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.

---

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.

**“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 per-

manent 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 reciprocity 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

**Order forms for FOCUS and other  
Institute publications are at the back.  
Subscribe now to our Discussion Paper  
Series and Reprint Series.**

**Please let us know if you change your  
address so we can continue to send you  
*Focus*.**



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. ■

## Special Reports

Institute Special Reports must be purchased individually from the Institute for Research on Poverty, 1180 Observatory Drive, 3412 Social Science Building, University of Wisconsin, Madison, WI 53706. Prices vary.

McDonald, T., Moran, J., and Garfinkel, I. Wisconsin study of absent fathers' ability to pay more child support. 1983. SR 34. 74 pp. \$5.00.

Oellerich, D. The effects of potential child support transfers on Wisconsin AFDC costs, caseloads and recipient well-being. 1984. SR 35. 200 pp. \$6.00.

Haveman, R., and Lacker, J. Discrepancies in projecting future public and private pension benefits: A comparison and critique of two micro-data simulation models. 1984. SR 36. 124 pp. \$6.00.

Cain, G. The economic analysis of labor market discrimination: A survey. 1985. SR 37. 165 pp. \$6.00.

McLanahan, S., Cain, G., Olneck, M., Piliavin, I., Danziger, S., and Gottschalk, P. *Losing Ground: A Critique*. 1985. SR 38. 91 pp. \$4.00.

Garfinkel, I., and Sullivan, Q. Immediate income withholding: A preliminary analysis of its effects on child support collections for AFDC cases. 1986. SR 39. 22 pp. \$4.00.

Hutchens, R., Jakubson, G., and Schwartz, S. Living arrangements, employment, schooling and welfare reciprocity of young women. 1986. SR 40. 173 pp. \$6.00.

Moffitt, R. Trends in AFDC participation over time: Evidence on structural change. 1986. SR 41. 63 pp. \$4.00.

Garfinkel, I. Utilization and effects of immediate income withholding and the percentage-of-income standard: An interim report on the child support assurance demonstration. (Revised) 1986. SR 42. 60 pp. \$4.00.

Conference summary—Poverty and social policy: The minority experience. 1987. SR 43. 37 pp. \$4.00.

---

<sup>1</sup>The summaries describe the papers in their conference draft form. The papers are being revised to reflect the discussants' comments and other suggestions.