

Family policy and minority groups: Unanswered questions

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

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

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

Why are female-headed families poor?

Beyond the obvious reasons—that women earn less than men because on average they work fewer hours at lower wage rates, that their families usually consist of one wage earner instead of two, and that most women receive little in child support from the fathers of their children—Smith points out two additional explanations for poverty among female-headed families. With data from the Michigan Panel Study of Income Dynamics (PSID) he demonstrates that single mothers are not random draws from the population, but are more likely to come from impoverished backgrounds, and that the characteristics of single mothers have changed over the years, so they are more likely than in the past to be young unwed mothers with limited earnings capability. These

trends hold for both blacks and whites, but there are large racial differences. In 1980, 46 percent of black single mothers were younger than 35 years old, compared to 36 percent among whites. Between 1960 and 1980 the proportion of those black female family heads who were under 24 years old and had never married more than doubled. By 1980 three-quarters of black mothers under 24 had never married.

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

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

Is poverty increasing among children?

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

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

Table 1
Economic Status of Intact Families (Both Spouses Present)
 (percentages)

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

Source: Smith, "Poverty and the Family," Table 3.

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

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

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

Why are women not getting married?

In her comment on Smith's paper, Hartmann points out that some women are choosing not to get married. She suggests that women's economic gains from marriage have declined relative to other means of supporting themselves. Their earnings relative to those of men have increased, as has their access to alternative income sources, notably government transfers. Although marriage may be socially desirable from the standpoint of raising children, it apparently is not pre-

Table 2
Economic Status of Female-Headed Families
 (percentages)

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

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

Notes: See Table 1.

ferred by the many women who opt for financial independence rather than dependence on men. Because marriage may be unstable under economically precarious circumstances, it is a questionable solution to the poverty associated with female headship. An alternative solution offered by Hartmann is to help women earn higher wages and offer them such social supports as child care and child support from the absent fathers of their children.

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

Is unemployment climbing among young men?

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

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

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

His examination of unemployment since 1954 among white and black men aged 16 and older, and of Hispanic men of that age since 1973 (the first year for which data on Hispanics are available in the Current Population Surveys) revealed two major patterns: ups and downs in employment following fluctuations in the business cycle, but a generally upward trend in unemployment rates over the entire period. All groups felt the effects of the business cycle, but downturns were much more severe for minority men. And after the 1974–75 recession, unemployment rates among all groups remained above earlier levels even during the more prosperous periods. By 1985 the economy was in the midst of recovery, but 6 percent of white men, 10 percent of Hispanic men, and 15 percent of black men remained unemployed. “What was considered high unemployment in the 1950s is now quite ordinary, and the levels of unemployment reached during the 1982–83 recession were unimaginable only a decade earlier” (p. 9).

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

Because unemployment rates do not account for those no longer looking for work, Hirschman compared the civilian labor force participation rates of black and white men in various age groups over the years 1954–85. The participation rate of all white men declined slowly over that entire period, but primarily among men over 45. The trend among black men was quite different: starting out with rates equal to or above those of white men, they experienced steadily and steeply falling rates over the ensuing years, and the decline has been larger among those of younger, not older, ages. Teenaged blacks began in the late 1960s to drop out of the labor force in greater proportions than whites, and this differential has widened since then. For men in their early twenties, a similar differential appeared in the early 1970s and has remained steady. Table 3 shows the labor force participation rates of young men not enrolled in school from 1964 through 1983. Blacks differed sharply from whites and Hispanics; among the latter two groups, on average, over 90 percent of young men not in school remained in the labor force. By 1983 over one-quarter of black men aged 18–19 not enrolled in school were not in the labor force; this was true of more than 15 percent of those aged 20–24.

Table 3

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

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

Source: Hirschman, “Minorities in the Labor Market,” Table 6, from U.S. Department of Labor, *Handbook of Labor Statistics*, Bulletin 2217 (Washington, D.C.: GPO, 1985), pp. 141–143.

Notes: Prior to 1972, black refers to black and other nonwhite workers. Dash indicates data not available.

Why are blacks disproportionately unemployed?

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

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

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

Edward P. Lazear, in his comments on the Hirschman paper, offers a number of possible explanations of the widening gap between the unemployment rates of black and white youths. (1) The minimum wage makes it less worthwhile to hire inexperienced workers. (Why this should explain the divergence between blacks and whites is not clear. Furthermore, the minimum wage has remained constant for the past six years, while the disparity in unemployment has been growing. According to Sar Levitan, a discussant of the Wilson paper, the real minimum wage is now at its lowest level in over three decades.) (2) Affirmative action may penalize young people because it requires that if individuals are hired, minorities and women be given equal opportuni-

ties. Therefore, employers may prefer not to hire at all. (3) Attainment in school may be less strongly correlated with human capital than it was in the past, since the inner-city schools, which are predominantly black, receive less than their share of funding from state governments.

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

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

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

Table 4
Unemployment Rates of Workers, Age 16 and Above,
by Race and Hispanic Origin and Educational Attainment, Selected Years

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

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

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