



Focus

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Social and economic change since the Great Depression: Studies of census data, 1940–1980

by Elizabeth Evanson

The 1940 census has been termed the first modern census. It was the first to ask about income and seek a wide range of other social and economic information, the first to be designed and planned by a full-time professional staff that included social scientists. Since then the decennial censuses have become increasingly detailed, taking advantage of advances in sampling techniques and, beginning in 1960, of computerization to permit the release of public use sample tapes providing data on a host of household and personal characteristics.

When the 1940 census entered the field, the United States was still struggling with the devastating effects of the Great Depression. Not until the country geared up for entry into World War II did economic conditions begin to improve. But

the war effort did more than fuel economic growth: it set in motion a series of extraordinary social changes.

A special project designed and executed by demographers at the University of Wisconsin has permitted the construction of microdata computer tapes from the 1940 and 1950 censuses to provide information comparable to that for 1960 through 1980. (For a brief description of the “40–50 Project,” see the accompanying box.) The results have enabled Institute researchers to conduct time-series analyses of trends in poverty and well-being over the 1940–80 period. To provide the context for their findings, it will be of use first to glimpse the underlying demographic and economic changes that occurred in America during the postwar period, when patterns of fertility, mortality, immigration, and internal

Preparation of public use sample tapes from the 1940 and 1950 censuses of population

Principal Investigators: Halliman Winsborough, Karl Taeuber, and Robert Hauser, Center for Demography and Ecology, University of Wisconsin–Madison

Funding Source: The National Science Foundation

The first computerized public use sample of a U.S. census was produced from the census of 1960. Available in 1963, the computer tapes provided records of the population characteristics—age, race, sex, marital status, income, employment, and much more—of a representative sample of one out of every thousand U.S. households. Before this time, most of the information offered to the public from any census was in summary tabular form, in print. With new computer technology, however, all of the data on a sample of households and persons (with identifying information removed) could be made available for statistical analysis, and that is what the 1960 computer file accomplished. It was later redrawn to produce a 1-in-100 sample (600,000 households, 1.8 million persons). Aided by continually advancing computational techniques, users of the file found themselves able to perform analytical studies of population characteristics on a scale never before experienced.

As the social science research community became familiar in the 1960s with the merits of microdata research and later began to investigate time-series comparisons from the public use samples provided by the 1970 census, the notion surfaced of providing similar samples from the 1940 and 1950 censuses, which contained similar information and would permit appraisal of social change since the Great Depression.

In the late 1960s calls for creation of 1-in-100 files from these two earlier censuses came from such individuals as the distinguished sociologist Otis Dudley Duncan and from such organizations as the Population Association of America. In the mid-1970s, the National Science Foundation began seriously to consider what a project of this nature would entail. In

1976 the Foundation summoned three dozen scholars to the campus of the University of Wisconsin–Madison to assay the research questions that could be addressed with 1940–50 computer tapes and to recommend procedures for file creation.

The problems seemed immense. The data consisted of the original manuscript records of the census results, stored on microfilm—two hundred miles of film. The task was twofold: first to transcribe the entire handwritten record into a computer file that would become an archival record housed by the Census Bureau; second, to draw a sample of households in a way that would produce results as comparable as possible to the 1960 and 1970 samples. Procedural and conceptual differences between the two censuses themselves, and between them and the subsequent censuses, had to be resolved. Change in the definition of the urban population, in the definition of metropolitan residence, and in the coding scheme for occupation and industry are but a few examples.

Three Wisconsin demographers, Halliman Winsborough, Karl Taeuber, and Robert Hauser, who had spearheaded development of the project concept, proceeded to formulate from the results of the 1976 conference a feasible plan for constructing the computer tapes. Their proposal was submitted to the National Science Foundation in early 1977. After extensive review, the Foundation approved the project in November of that year.

A pilot study of all phases of the production plan was conducted in 1978. Data entry began in 1980. Two shifts a day of fifty people each worked for two years, reading the film and keying the required information for approximately three million persons onto computer tapes. The files were then coded and edited, missing data were imputed, and the final public use sample files began to be released by the Census Bureau at the end of 1983. Twenty years after the idea for it was born, the project reached completion.

migration altered in unprecedented—and unanticipated—fashion.¹

A striking departure from trends of the past occurred in the rate of population growth. In the seventy years preceding 1940, the growth rate followed a fairly regular pattern of cycles, the rate first quickening and then slowing. Each cycle lasted about twenty years, and the upturns resulted primarily from immigration. The cycle that began in 1940 was quite different in both duration and in driving force. The growth rate increased steadily for twenty-five years, then declined as steadily, and the movement was propelled almost entirely

by fertility—the baby boom and its subsequent reversal—rather than immigration. The consequences of this population bulge have often been recounted: economic and social “crowding” as the baby boom members matured, competitive pressures within and among birth cohorts. Accompanying this population change after 1950 was an important change in household structure that figures strongly in the studies to be examined: a dramatic increase in female-headed families.

Meanwhile, mortality registered a steep decline from 1940 to about 1955, in the wake of the discovery and spread of

"wonder drugs." The death rate then remained stable until the late 1960s, when a new falloff in mortality occurred and continues still, affecting primarily the aged.

The aging of the baby boom and the extension of life expectancy are together bound to produce an ever-enlarging population of the elderly. A recurrent theme in the papers described below is the changing economic status of the young relative to the old.

Immigration also altered after 1940. Immigrants came increasingly from countries outside of Europe. In 1980, for the first time in U.S. history, the majority of immigrants were from non-European nations. The trend in internal migration changed radically as well. The great movement to the cities that began early in the nineteenth century culminated about 1950, then reversed itself as the suburbs grew rapidly and some deserted rural areas began to be repopulated. Among the new inhabitants of suburban areas were a number of former ghetto residents, who left behind their more disadvantaged counterparts whose plight has become familiar under the rubric "urban underclass." At the same time, the U.S. population shifted away from the industrial areas of the North and toward the Sunbelt.

During these years the American economy experienced changes of major dimensions. The massive spending effort required for waging war overcame the effects of depression, and postwar reconversion ushered in a period of prosperity—a "buoyant quarter-century"—in which steady economic growth and productivity increases came to be the norm.² Abruptly, 1973 marked a watershed: the beginning of stagnation, inflation, and recurrent recessions until 1983, ten years of "a quiet depression."³ A recovery followed and continues still, but the record of the past two decades makes future prospects not as bright as in the 1950s and 1960s.

These interacting forces had profound effects on the well-being and behavior of families, children, and the elderly in all economic, racial, and ethnic groups. A number of them are analyzed in the Institute studies described below (listed in the box on p. 11).

The changing profile of poverty

Christine Ross, Sheldon Danziger, and Eugene Smolensky have constructed from the five decennial censuses for 1940 through 1980 a record of the course of poverty and its changing incidence across particular groups. The only measure of poverty that can be accurately extended back to 1940 is that based on earnings alone, here termed "earnings poverty," since the 1940 census restricted precise income information to wages and salaries.⁴ From 1950 onward, data on all sources of cash income are available, providing a time series on "income poverty." The authors took the set of official income poverty thresholds that were developed in the 1960s and projected them back to 1940 and 1950 by means of the Consumer Price Index, the same means by which the thresholds have been updated yearly since their adoption.⁵

Earnings poverty stood at almost 70 percent of all persons in 1940, but dropped steadily thereafter, reaching its low point of 27 percent in 1970, then rose to 29 percent in 1980. Income poverty consistently decreased, from 40 percent in 1950 to 13 percent in 1980.⁶ Its strong and steady decline, and the rise in unearned income evident in the census data, point to the increasing antipoverty effectiveness of government transfers.

Examining the changing incidence of income poverty across groups as defined by age, sex, and race of the household head (see Table 1), the authors found that poverty declined more among the elderly—who form the subject of a set of studies described later—than the nonelderly, more among whites than nonwhites, and more among men than women, reflecting (1) increased social security benefits for the elderly; (2) higher amounts of property income among men and among whites; (3) higher lifetime earnings of, and consequently greater social security benefits for, whites as compared to nonwhites and men as compared to women.

Demographic changes have contributed to poverty, because the groups more likely to be poor—notably those living in households headed by women—have proportionately increased, while those less likely to be poor—those headed

Table 1
Percentage of Persons in Poverty with Total Money
Income Included, by Characteristics of Household Head,
1949-1979

Household Head	1949	1959	1969	1979	% Change, 1949-79
Young (aged 15-24)					
White men	44.2	29.8	22.0	21.1	-52.3
Nonwhite men	79.5	59.8	35.4	34.3	-56.9
White women	73.4	73.8	62.3	54.1	-26.3
Nonwhite women	88.6	85.1	68.8	68.6	-22.6
Prime (aged 25-64)					
White men	31.3	12.9	6.0	5.6	-82.1
Nonwhite men	70.8	45.7	21.5	15.9	-77.5
White women	52.5	38.0	28.6	23.1	-56.0
Nonwhite women	83.8	71.5	56.4	47.2	-43.7
Elderly (over 64)					
White men	52.9	27.8	18.4	8.1	-84.7
Nonwhite men	85.9	62.9	42.6	25.9	-69.8
White women	67.9	48.4	40.5	22.1	-67.5
Nonwhite women	91.5	73.4	58.5	42.3	-53.8
Outside metro- politan area	53.9	29.9	19.1	15.5	-71.2
Inside metro- politan area	30.5	19.2	13.0	12.1	-60.3
Total	40.5	22.1	14.4	13.1	-67.7

Source: Ross, Danziger, and Smolensky, "The Level and Trend of Poverty in the United States, 1939-1979," Table 3; computations from public use samples of the decennial censuses.

by white men of working age—have proportionately decreased. To measure the effect of those changes, Ross, Danziger, and Smolensky first calculated the percentages of all persons living in households categorized as in Table 1 during each of the five censuses. They found that over the forty-year period the proportion of all persons living in households headed by white men aged 25–64 fell from 70 to 58 percent. All other age groups increased their relative shares, and the largest increases were registered among the young and households headed by nonwhite women.

To estimate the effect of these demographic shifts on the incidence of poverty, Ross and colleagues then applied the 1980 poverty rates for each group to the 1940 composition of the population. They calculated that, had no demographic changes occurred in the intervening years, earnings poverty would have been 13.5 percent lower than it actually was in 1980 (25 percent rather than 29 percent), and income poverty would have been 23 percent lower (10 percent rather than 13 percent). To this extent changes in household structure have contributed to increases in poverty.

The level of poverty has also been influenced by the movement of married women into, and of older men out of, the labor force. (The economic status of married women is the subject of another Institute study, described below.) From 1940 to 1980, families in which both husband and wife worked rose rapidly, earnings poverty rates declined sharply among such households, and the earnings gap between white and nonwhite employed couples narrowed.

Thus, trends in the composition of households according to race or ethnicity and sex, on the one hand, and according to employment status of household head and spouse on the other, have had offsetting effects: the proportions of households headed by nonwhites, Hispanics, and women have grown, and the greater likelihood of such households to be poor has raised poverty levels, but the increased tendency of married women to seek paid work has tended to reduce poverty.

Children and the elderly

Policy discussion in recent years has centered on the worsening economic circumstances of children since the 1960s, in contrast with the rapid improvement in the economic status of the elderly after 1965. Eugene Smolensky, Sheldon Danziger, and Peter Gottschalk have placed this discussion in historical perspective by examining the comparative situations of young and old not just since the 1960s, but since 1940. They challenge the interpretation that government policy may bear large responsibility for the plight of the young, finding instead that the erosion of earnings of parents is a prime cause of rising poverty among children. Also implicated is the fact that an increasing percentage of children live in families headed by single women. Government policy is the primary cause of declining poverty among the elderly.

Economic expansion yielded rapid earnings growth from 1940 to 1970 (real median earnings increased by more than

50 percent between 1940 and 1950 alone). but social security retirement benefits changed very little until the mid-1960s. Thus, poverty rates for both old and young declined over the immediate postwar period, and children enjoyed the lead. That situation reversed in the 1970s. Government transfers to the elderly rose rapidly while real earnings fell, and as a consequence poverty fell among the elderly but increased among children, a trend that continued into the 1980s. "For most of our history," the authors point out,

there has been a dependent population of young and old whose standard of living was virtually determined by the income of the working population with whom they resided. This remains true today only for children in intact families. It is no longer true for the many children in single-parent families dependent on child support and Aid to Families with Dependent Children, and it is certainly past history for the elderly ("The Declining Significance of Age in the United States," p. 47).

They emphasize that if we look behind the aggregate figures for the old and the young, we find that subgroups in both populations are extremely vulnerable. Using data from the March 1986 Current Population Survey to update the 1980 census, Smolensky, Danziger, and Gottschalk identify subgroups for whom poverty rates remain high. They include all elderly persons who are minority-group members, all children who are minority-group members, and white children in single-parent families (see Table 2).

Table 2

Poverty Rates in 1985 for Children and the Elderly, by Race or Ethnicity and Sex of Household Head

	Percentage of Persons Poor		
	White Non-Hispanic	Blacks and Hispanics	All
All Persons	9.85	28.24	13.98
Children (under 18)			
Living with two parents	8.32	21.84	11.35
Living with single parent	35.70	64.34	49.90
Persons living in households headed by: ^a			
Men aged 18–64	6.20	15.22	7.88
Women aged 18–64	20.18	40.19	26.78
Men over 64	5.64	19.57	7.36
Women over 64	20.28	39.17	23.13

Source: Smolensky, Danziger, and Gottschalk, "The Declining Significance of Age in the United States," Table 3.4. The figures are computations from March 1986 Current Population Survey computer tapes.

Note: In 1985, there were 236.6 million persons in the United States; 33 million were poor according to the official poverty definition.

^aThese data are for persons classified by the age of the household head and not for persons classified by their own age.

The authors therefore advocate that policies should not focus on the elderly population as a whole (e.g., cuts in social security, which would harm the poor among the elderly) or on children as a group (e.g., children's allowances, which would benefit many who are not in need). They instead recommend higher tax credits for the parents of poor children, enhancement of the Supplemental Security Income program to help the elderly poor, and reductions in the tax benefits enjoyed by the well-to-do elderly. In these recommendations need, not age, is the overriding criterion.

Families

Three of these census studies concentrate on marriage and the family, offering insight into the evolving condition of single-parent and married-couple households.

Families divided: The poor, the middle class, and the affluent

James P. Smith divides all families into three income groups. The poor are defined by a measure that applies the official poverty thresholds for 1960 (the census year closest to the date the thresholds were first developed, 1963) and adjusts them in other years to rise 50 cents for every dollar increase in real per family income, thus incorporating elements of a relative poverty measure. The affluent are defined as those who in 1960 had incomes equivalent to the top 25 percent of white families; that standard is adjusted dollar-for-dollar to account for real income growth in the other years. The middle class contains the remainder of families. Smith's comparison of the status of different types of families in these income classes over the forty-year period is shown in Table 3.

Table 3

Income Groups of Married-Couple and Female-Headed Families, 1940-1980 (Percentages)

	1940		1950		1960		1970		1980	
	Married Couple	Female-Headed								
All families										
Poor	33	47	20	48	12	42	8	39	7	36
Middle class	40	36	51	37	64	47	66	53	64	58
Affluent	27	17	29	15	24	11	26	8	29	6
White families										
Poor	30	41	17	42	10	34	7	32	6	30
Middle class	41	39	52	40	64	52	67	58	64	62
Affluent	29	20	31	18	26	14	26	10	30	8
Black families										
Poor	69	81	49	76	39	69	21	58	15	53
Middle class	27	17	44	21	54	29	69	40	68	44
Affluent	4	2	7	3	7	2	9	2	17	3
All Hispanic families										
Poor	55	66	40	62	28	59	17	56	16	52
Middle class	34	24	47	30	62	38	70	41	70	44
Affluent	11	10	13	7	10	3	12	3	14	3
Mexican families										
Poor	70	77	53	67	33	68	20	57	19	52
Middle class	27	17	39	26	59	29	70	40	72	46
Affluent	4	6	8	7	7	3	10	2	9	2
Puerto Rican families										
Poor	— ^a	—	33	62	29	52	20	69	21	72
Middle class	—	—	52	38	66	46	71	29	70	26
Affluent	—	—	15	0	5	2	8	2	9	2

Source: Smith, "Poverty and the Family," Table 3; computations from public use samples of the decennial censuses.

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.

^aSample size too small.

The encouraging news is the considerable decline in poverty among two-parent families in all demographic groups. The aggregate poverty rate among them dropped precipitously. Compare the results for families headed by women: poverty declined only from 47 to 36 percent. And whereas the proportion of affluent two-parent families stood at almost the same level at the beginning as at the end of the period, the proportion of affluent female-headed families declined from 17 percent to 6 percent. The table also indicates the strong growth of black and Hispanic middle classes and the dramatic rise in affluence among married-couple black families after 1960.

Because the incomes of women heading families grew more slowly than the average among all families, particularly after 1960, Smith analyzed the changing characteristics of these women. Single mothers now tend to be young and unwed, of limited earning capacity, receiving little in child support from the fathers of their children. These trends are stronger among blacks than whites, which helps explain a paradox: while racial wage differences among employed women have narrowed (twenty-five years ago the typical black employed woman earned half the wage of a white woman; now there is very little difference in their wage), a wide racial gap in the income of families has remained virtually unchanged: in 1970 and in 1980, black family income was about 62 percent of white family income.

The growth of female-headed families

Whereas Smith documented the low economic status of women who head families, a paper by Roger Wojtkiewicz, Sara McLanahan, and Irwin Garfinkel examines the sources of their increase within the U.S. population.

Figure 1 shows trends in the incidence of female-headed families. In the 1940s, the years of war and its aftermath, the fraction of these families declined somewhat. In the next decade blacks and whites experienced small rises in female headship, followed by larger ones in the 1960s and 1970s. It is interesting that the *rate* of growth among whites and blacks in the last two decades was quite similar, even though much greater public attention has been given to black female headship. Because this type of family is much more common among blacks (almost 50 percent of all black families, versus about 15 percent for whites), similar growth rates have led to larger increases for blacks.

A variety of factors influence the formation of female-headed households with children, among them out-of-wedlock and marital birthrates; marriage, divorce, and remarriage rates; and the willingness of single mothers to establish their own households. The authors analyzed the contribution of these separate factors to the growth in female headship over each decade since 1950.

The major source of such growth among white families, they found, was an increase in the numbers of single mothers who had previously been married. After 1960, marriage and fertility rates dropped, and the rise in white single-mother families

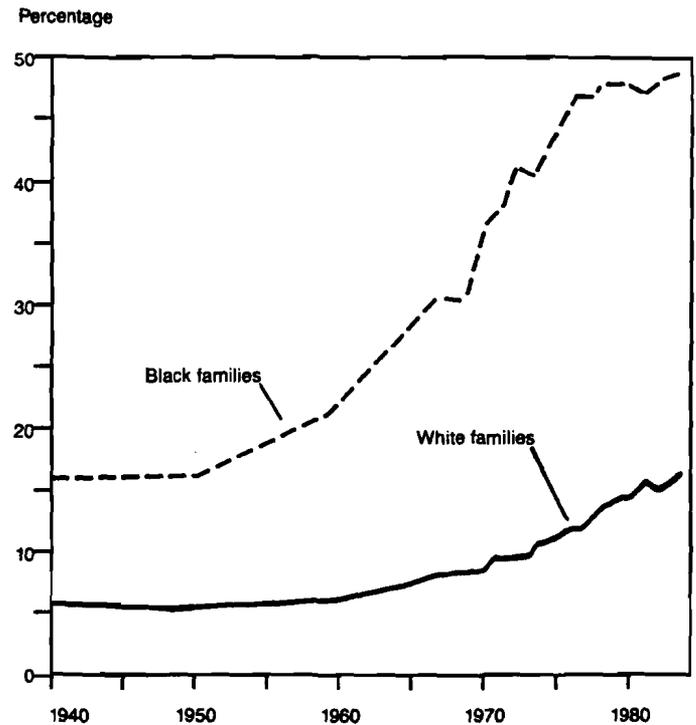


Figure 1. The Growth in Families Headed by Women, 1940-1985

Sources: Wojtkiewicz, McLanahan, and Garfinkel, "The Growth of Families Headed by Women: 1950 to 1980," Figure 1; computations from decennial censuses of 1940-60 and, for 1967-85, U.S. Bureau of the Census, Current Population Reports, Series P-20, various numbers.

resulted primarily from higher divorce rates and lower rates of remarriage. The propensity of single mothers to live independently rather than in the households of other people also contributed, but it was a much stronger influence in the 1950s than in the 1960s and 1970s.

Among blacks, however, growth in the population of never-married mothers after 1960 resulted primarily from declines in marriage rather than increases in out-of-wedlock birthrates. In fact the latter declined in the 1970s. The propensity to establish independent households was a significant factor in the 1950s and 1960s, but had little influence in the 1970s.

In short, among both blacks and whites, changes in marital behavior account for the rise in female headship. Whites are more likely to divorce and not remarry; blacks are not as likely to marry.

The economic condition of wives

A complement to the examination of single-mother families is a study by Annemette Sørensen and McLanahan of married couples over the same period of time. Sørensen and McLanahan summarize their results as follows:

The situation in 1980 is greatly different from the situation in 1940, when the vast majority of married women were completely dependent on spouses for economic support.

Today, completely dependent wives constitute a distinct minority. Minority women have been less dependent than white women throughout this period ("Married Women's Economic Dependency, 1940-1980," p. 659).

Definitions first. In this study "economic dependency" refers to the wife's contribution to the couple's income (it is assumed that the couple shares income equally). The degree of a wife's dependency is defined as the proportion of her share of the couple's income that results from the husband's contribution. Income excludes assets, not available in census data. Complete dependency is represented by a value of 1 (the husband is responsible for 100 percent of her income); no dependency, a value of 0 (she is entirely responsible for her income). A value of .4, for example, means that the wife receives 40 percent of her share of their income from her husband—to that extent she is dependent. Table 4 shows, for white and nonwhite couples alike, the dramatic decline in dependency of married women over the 1940-80 period.

The table also indicates that nonwhite wives have consistently been less dependent than white wives. This greater equality of minority women partly reflects, however, the

relatively disadvantaged position of minority men, who are more limited in their ability to be breadwinners.

Wives' dependency may be expected to vary with age, since familial responsibilities play a large role in their ability and willingness to work. The authors therefore were surprised to find only small differences in dependency among women under 60 years old and very few changes in life-course variations over time. Beyond that age, however, dependency declined substantially over the years, indicating reliance on social security and other unearned income, which is more evenly distributed among older spouses.⁷

To identify sources of dependency, Sørensen and McLanahan analyzed the more detailed information on work effort and personal characteristics that is available in the censuses of 1960, 1970, and 1980. They found that the increase in wives' work effort was a major source of their growing independence and that married women must work longer hours than their husbands to contribute equally to family income.

The elderly

Five studies concentrate upon the changes in effects of such events associated with aging as retirement, widowhood, and alterations in living arrangements.

Demographic changes

Population patterns are sketched in the paper by Gary Sandefur and Nancy Brandon Tuma, who included in their definition of the elderly all persons aged 55 and up, rather than the usual characterization of 65 or older, because important behavioral changes, notably retirement (scrutinized in detail below), are occurring with increasing frequency at younger ages.

The authors first examined the changing age composition of the U.S. population in the twentieth century. The proportion of persons over 54 has increased steadily, rising from 10 to 21 percent between 1910 and 1980. As a result the ratio of those over 54 to those under 20 shifted from 1 : 4 in 1910 to 1 : 2 in 1940 and to about 2:3 in 1980. Since 1940 alone, the proportion of those over 54 has grown by 141 percent, and of those over 84 by 450 percent, while the U.S. population as a whole has increased by 71 percent.

Differential fertility and mortality rates across racial and ethnic groups have produced in the 1980s considerable variation in the proportions of the elderly within each group. Sandefur and Tuma cite the figures for those aged 65 or older as of 1982: 12 percent of whites as compared to 8 percent of blacks, 5 percent of Hispanics, and 5 percent of American Indians.⁸

The life expectancy of both men and women has lengthened, but more so for women. As a consequence, the predominance of women in each age subgroup of the elderly has

Table 4

Degree of Economic Dependency by Race, 1940-1980

Degree of Dependency	1940 (%)	1950 (%)	1960 (%)	1970 (%)	1980 (%)
<i>Nonwhite Couples</i>					
Wife 100% dependent	68.5	66.3	46.3	34.6	27.1
Wife 50%-99% dependent	10.1	12.2	24.0	22.9	20.7
Wife 10%-49% dependent	12.4	9.8	16.1	23.4	27.8
Equal contribution	3.0	4.6	6.9	9.8	11.9
Husband 10%-49% dependent	2.4	4.0	3.8	5.7	7.6
Husband 50%-99% dependent	.6	1.5	1.6	2.5	3.1
Husband 100% dependent	3.0	1.6	1.3	1.2	1.8
<i>White Couples</i>					
Wife 100% dependent	83.7	68.4	55.0	42.9	30.6
Wife 50%-99% dependent	4.2	10.2	20.8	26.3	30.0
Wife 10%-49% dependent	6.5	9.9	14.5	19.0	24.1
Equal contribution	2.7	4.5	5.1	5.9	8.0
Husband 10%-49% dependent	1.0	3.7	2.9	4.0	4.9
Husband 50%-99% dependent	.4	1.6	1.1	1.3	1.9
Husband 100% dependent	1.5	1.7	.6	.6	.6

Source: Sørensen and McLanahan, "Married Women's Economic Dependency, 1940-1980," Table 1; based on income data from the decennial censuses.

increased with each census, especially at older ages. Among the "old old," those 85 or more, the proportion of women rose from 55 percent in 1910 to 70 percent in 1980. This gender shift is becoming increasingly apparent at younger ages as well: 47 percent of those aged 55–59 were women in 1910, 53 percent in 1980. The economic circumstances of the elderly are described below.

Economic status

Ross, Danziger, and Smolensky, who analyzed the changing income positions of young and old described earlier in this article, have interpreted changes in the economic circumstances of the elderly since 1950. Their results confirmed the rise in well-being of older persons. In 1980 the average person aged 65 or older had a much higher income in relation to needs and a much smaller chance of being in poverty than had been true in 1950.

The researchers used cohort analysis (five-year age groups) to examine the factors that influence the well-being of the average individuals in particular cohorts across census years. They separated individuals not only by age but also by sex, labor force participation, and marital status. They found that retirement for men brings a large income decline, but that drop is then followed by income increases. For women, widowhood brings a large income decline followed by slow or no increases thereafter. Their analysis suggests that the typical individual experiences increases in income relative to needs during working years, a large one-time decline in his or her income-to-needs ratio with retirement, and increases thereafter. Married women share the changes in income of their husbands, but have an additional drop in income if they become widows. After that point, their income increases slowly.

Retirement

In recent years the proportion of the elderly who work has declined, and retirement is being chosen at earlier ages. The greatest declines in work occur at ages 60–64 and 65–69, but Sandefur and Tuma found that in 1980 a decline in male employment was apparent at ages 55–59 as well, a trend that was even stronger in the 1985 Current Population Survey data.

In contrast, employment among women aged 55–64 has steadily risen since 1940. Because of these opposite trends by gender, the pattern of work among aged Americans has become increasingly similar for men and women. The authors also observed that persons over 65 who have been out of work for at least a year are unlikely ever to enter the labor force again.

The falloff in work effort of men has often been attributed to the increased generosity of social security. Ross, Danziger, and Smolensky documented the decline in male labor force participation rates and the relationship between male earnings, retirement, and social security benefits (see Table 5). Benefits and retirement scarcely changed between 1940 and 1950, yet median earnings rose by more than half. In the next

Table 5

Earnings, Labor Force Participation, and Social Security Benefits, 1940–1980
(constant 1980 dollars)

Year	Median Earnings of Male Workers ^a (1)	Percentage of Men 65+ Retired ^b (2)	Mean Annual Social Security Benefit, Worker and Wife ^c (3)	Ratio of Mean Social Security Benefit to	
				Male Median Earnings ^d (4)	Poverty Line (5) ^e
1940	\$5,494	58.2%	\$2,492	.45	.50
1950	8,667	58.6	2,845	.33	.57
1960	10,782	69.5	4,026	.37	.81
1970	13,100	75.2	4,882	.37	.99
1980	12,128	80.1	6,632	.55	1.34

Source: Ross, Danziger, and Smolensky, "Social Security, Work Effort, and Poverty among Elderly Men, 1939–1979," Table 4.

^aU.S. Department of Health and Human Services, Social Security Administration, *Social Security Bulletin, Annual Statistical Supplement, 1983*, Table 22, p. 80. Computed for wage and salary workers only. Includes workers of all ages, and those working part-time or part-year.

^bU.S. Department of Commerce, Bureau of the Census, *Historical Statistics, Colonial Times to the Present* (1976), Series D, pp. 29–41.

^c*Social Security Bulletin, Annual Statistical Supplement, 1983*, Table 78, p. 153. Mean computed for social security recipients only.

^dComputed as column 3 ÷ column 1.

^eThe poverty line for an elderly couple is about \$4950 in 1980 dollars for each year.

ten years, benefits jumped by about 40 percent, earnings by one quarter. From 1960 to 1970, both benefits and earnings increased by about 20 percent. The relationship reversed after 1970, when benefits rose by 36 percent but earnings declined by 7 percent. The result was that in 1980 the average benefit for a retired couple was equivalent to 134 percent of the poverty line and 55 percent of median earnings of male workers. It does not seem coincidental that by then the retirement rate among men over 64 had risen to 80 percent.

Yet Ross and colleagues caution that the decline in male work effort should not be attributed solely to the rise in social security benefits, for the labor force participation rates of older men have declined over the entire twentieth century—from 63 percent in 1900 to 42 percent in 1940 and 19 percent in 1980. The decision to retire is influenced, the authors point out, by the availability of income from *all* sources—savings, pensions, dividends, rents, in addition to earnings and social security—as well as health conditions, employment opportunities in the event of layoff or compulsory retirement, and a desire for leisure.

Ross, Danziger, and Smolensky reviewed five surveys of retirees conducted by the Social Security Administration between 1941 and 1982. Although the surveys are not strictly

comparable because the populations sampled, the questions asked, and the survey formats were not identical, this information can serve as a gauge of changes in motivating forces.

Respondents in 1941–42 cited as the leading reasons for retirement, loss of jobs (56 percent) or poor health (34 percent). Forty years later, few respondents (20 percent) in the same age group reported that they retired because they had lost their jobs and fewer (17 percent) attributed retirement to poor health. Over half of the 1982 respondents had retired voluntarily. The authors sum up their findings: “The increased likelihood that an elderly person will retire in the years since social security benefits began to be paid continues a trend that dates back to at least 1900. Perhaps the most important contribution of social security to this trend is that to an increasing extent retirement could be chosen solely on economic grounds” (“Social Security, Work Effort, and Poverty among Elderly Men, 1939–1979,” p. ii).

Living arrangements

Sandefur and Tuma analyze changes in five categories: living in an institution (e.g., nursing home), alone, with a

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spouse, with other family members, or with unrelated persons.

They observed a marked trend since 1940 toward institutionalization of the very elderly: among those 85 or older, 7 percent were in institutions in 1940, 24 percent in 1980. There was, however, considerable variation by race and gender in this age group—in 1980 29 percent of white women over 84 were in institutions, compared to 14 percent of nonwhite women, 18 percent of white men, and 11 percent of nonwhite men.

Among the aged not in institutions, those married have almost always lived with their spouse, but the unmarried have been increasingly likely to live alone rather than with family members or nonrelatives. Whereas 65 percent of all uninstitutionalized and unmarried persons aged 55 or older shared quarters with family members in 1940, only 34 percent did so in 1980, a decline of almost 50 percent. And most who were not with their families lived alone rather than with unrelated persons.

Karen Holden explored the relationship between income changes and alterations in living arrangements among elderly women in the 1950–80 period. Her study was motivated by the fact that poverty rates have fallen more slowly among older women living alone than among other groups of elderly persons.

Holden first compared the percentage of women over 60 who lived in various household types in 1980 versus 1950. She found a sharp rise in the proportion of those living alone, from 14 to 33 percent, a small rise among the proportion living with their husbands, and decreases in the fractions living with other relatives or with unrelated persons. (Like those of Sandefur and Tuma, her results confirmed a rise in institutionalization among aged women.) She next examined changes in personal incomes—the incomes they alone controlled—of these women and of the incomes of the households in which they lived, if any. Women’s own income rose appreciably, from \$1,400 to \$5,300 (1979 dollars), but household income rose considerably more, from \$6,700 to \$14,300. The rise in personal income reduced the poverty of elderly women in 1980 to one-third of its 1950 level. Yet married women and those living with other relatives experienced more dramatic reductions in poverty—to 15 and 23 percent of their respective rates in 1950—since they shared income with other household members.

Two offsetting trends have occurred in these years: the survival rate of husbands has improved, so widowhood is occurring at later years and poverty of older women is thereby reduced; yet if not married, women are more likely to live alone than with others, and thus enjoy less shared income, even though personal income has grown. To estimate the net effect of these offsetting trends, Holden estimated what the household poverty rate of elderly women would have been in 1980 if incomes had changed as they did but living arrangements had remained as they were in 1950. The results showed that whereas poverty among older

women actually fell from 52 to 16 percent, had the distribution of living arrangements of poor and nonpoor older women remained the same as in 1950, the poverty rate would have been 13 percent. On the face of it, the difference is small—three percentage points. In reality, the problem is worse than this average indicates, because as women reach older ages, they are more likely to be widows and less likely to live with others, thus increasing the incidence of poverty. The poverty rate of women in their eighties was in fact 24.3 percent in 1980, but would have been 15.5 percent had living arrangements not changed. And it is the older age groups that can be expected to grow in future years.

Summing up

What does it all add up to? Is there a single theme in this abundance of information on American socioeconomic change over almost fifty years? Although each paper tells a separate story and stands independent of the others, a common message can be found. It is that contrasting trends have marked the experiences of three demographic pairings: men and women, children and the elderly, majority whites and minorities. A synopsis of findings from the papers illustrates the point.

Poverty rates fell more for men than for women across all ages in every census year. Men are on average able to recover from income losses resulting from retirement; women are scarcely able to recover from income losses resulting from widowhood. Men are retiring at earlier ages, and are doing so more out of personal choice. Women, including those of older working ages, are increasingly choosing to enter or reenter the labor force, and more are heading their own households. Married women are becoming less dependent economically on their husbands. As both sexes age, the proportion of women relative to men rises, and unmarried elderly women are more likely than in the past to live alone or in institutions rather than with other family members.

Poverty has declined dramatically among the elderly since 1970 but has risen alarmingly among children over the same years. The elderly constitute an increasingly larger proportion of the total population and are living to older ages. More children live in female-headed households than in earlier years, and these families constitute an ever-larger proportion of the poverty population. Far greater amounts of government transfers are dispensed on behalf of older citizens than on behalf of children.

Whites have experienced greater poverty declines than have nonwhites. On the other hand, since 1940 the white middle class has grown at a slower rate than the black and Hispanic middle classes, which have doubled in size. Female family headship has increased more rapidly among Hispanics and blacks than among whites. Owing to differences in fertility and mortality rates, the elderly form a larger proportion of the white population than of the black, Hispanic, or American Indian populations. Nonwhite wives have moved at a

more rapid rate than white wives toward economic independence of their husbands.

These divergent trends reflect changes in the economy, in demographics, and in social attitudes. The availability of census data has enlarged our understanding of the trends and the forces underlying them. The direction of future trends—whether the divergences will continue or abate—cannot confidently be predicted. What we can say with certainty is that our ability to analyze social and economic change will grow stronger with each future census. ■

¹The information on population changes is taken from Richard A. Easterlin, "American Population since 1940," in *The American Economy in Transition*, ed. Martin Feldstein (Chicago: University of Chicago Press, for the National Bureau of Economic Research, 1980).

²The quoted phrase is from Bruce MacLaury's Foreword to *Trends in American Economic Growth, 1929-1982*, by Edward F. Denison (Washington, D.C.: Brookings Institution, 1985).

³Quoted from Frank Levy, *Dollars and Dreams: The Changing American Income Distribution* (New York: Basic Books, 1987).

⁴Beyond wages and salaries, the census asked only whether or not the household received \$50 or more in other income.

⁵In each decennial census, income information pertains to the respondent's experience in the preceding year; the reference years for income data are therefore actually 1939 through 1979, although for simplicity the census years are used in this article.

⁶After 1979 the poverty rate rose to a peak of 15.2 percent in 1983, then declined in each year to 13.5 percent in 1987, the most recent year for which official figures are available (see U.S. Bureau of the Census, *Money Income and Poverty Status of Families and Persons in the United States: 1987: Advance Data from the March 1988 Current Population Survey*, Current Population Reports, Consumer Income, Series P-60, no. 161 [Washington, D.C.: GPO, 1988]).

⁷Under social security rules, benefits for the dependent of a retired worker go directly to the dependent; hence the wife of a retired worker will receive her own payments resulting from his earnings record. Furthermore, widows often have control over assets accumulated during marriage. Hence, older women are generally more economically independent of men.

⁸Figures cited from "Elderly Americans Now 12 Percent of Population—Increased Income, Longevity Improve Life-Style," *Family Planning Perspectives*, 16 (1984), 143-144.

Institute Studies Using 1940–1980 Census Data

The changing profile of poverty

Christine Ross, Sheldon Danziger, and Eugene Smolensky, "The Level and Trend of Poverty in the United States, 1939–1979." *Demography*, 24 (November 1987), 587–600. Available as IRP Reprint no. 571.

Children and the elderly

Eugene Smolensky, Sheldon Danziger, and Peter Gottschalk, "The Declining Significance of Age in the United States: Trends in the Well-Being of Children and the Elderly since 1939." In *The Vulnerable: America's Young and Old in the Industrial World*, ed. John Palmer, Timothy Smeeding, and Barbara Torrey (Washington, D.C.: Urban Institute Press, 1988).

Families

James P. Smith, "Poverty and the Family." In *Divided Opportunities: Minorities, Poverty, and Social Policy*, ed. Gary D. Sandefur and Marta Tienda (New York: Plenum Press, 1988).

Annemette Sørensen and Sara McLanahan, "Married Women's Economic Dependency, 1940–1980." *American Journal of Sociology*, 93 (November 1987), 659–687. Available as IRP Reprint no. 576.

Roger Wojtkiewicz, Sara McLanahan, and Irwin Garfinkel, "The Growth of Families Headed by Women: 1950 to 1980." IRP Discussion Paper no. 822–87, September 1987.

The elderly

Demographic changes

Gary D. Sandefur and Nancy Brandon Tuma, "Social and Economic Trends among the Aged in the United States, 1940–1985." IRP Discussion Paper no. 849–87, December 1987.

Economic status

Christine Ross, Sheldon Danziger, and Eugene Smolensky, "Interpreting Changes in the Economic Status of the Elderly, 1949–1979," *Contemporary Policy Issues*, 5 (April 1987), 98–112. Available as IRP Reprint no. 565.

Retirement

Christine Ross, Sheldon Danziger, and Eugene Smolensky, "Social Security, Work Effort, and Poverty among Elderly Men, 1939–1979." IRP Discussion Paper no. 785–85, October 1985.

Nancy Brandon Tuma and Gary D. Sandefur, "Trends in the Labor Force Activity of the Elderly in the United States, 1940–1980." In *Issues in Contemporary Retirement*, ed. Rita Ricardo-Campbell and Edward P. Lazear. Stanford, Calif.: Hoover Institution Press, 1988. Available as IRP Reprint no. 578.

Living arrangements

Karen C. Holden, "Poverty and Living Arrangements among Older Women: Are Changes in Economic Well-Being Underestimated?" *Journal of Gerontology*, 43 (January 1988), S22–S27. Available as IRP Reprint no. 579.

Poverty rates by state in the mid-1980s: An update

by Robert D. Plotnick and Sheldon Danziger

Robert D. Plotnick is Associate Professor of Public Affairs and Social Work at the University of Washington and a research associate at the Institute. Sheldon Danziger is Professor of Social Work and Public Policy at the University of Michigan and a research associate and former director of the Institute. This work was supported by funds provided to the University of Washington by the Northwest Area Foundation.

In the Fall 1987 issue of *Focus* (10:3), Christine Ross and Danziger presented state poverty rates for 1979 and 1985. The rates were constructed from data from the March 1980 and 1986 Current Population Survey (CPS) computer tapes. The 1985 rates have attracted considerable interest, since the U.S. Bureau of the Census has not published any state poverty rates for the 1980s.

The CPS samples on which state poverty rates are based are relatively small, consisting of fewer than 1,000 households interviewed in most states. As a result, the estimated rates for any single year may be subject to significant sampling error. The standard errors of the 1985 rates ranged from 0.75 to 2.38 percentage points. By way of contrast, the standard errors for poverty rates by region, which the Census Bureau does publish, range from 0.4 to 0.5 points.

This article reports, for the mid-1980s, new state poverty rates which have smaller standard errors than those previously reported. We pooled data from the March CPS tapes for 1985, 1986, and 1987, which provide income data for calendar years 1984, 1985, and 1986. Pooling doubled the effective sample size.¹ This reduced the standard error of each estimate by about 30 percent.² The disadvantage of pooling is that instead of having a separate poverty rate for each of the three years, we obtain the average level of poverty during the three middle years of the decade.

During these years the nation's economy steadily expanded, per capita income grew, the unemployment rate declined, and inflation moderated. The national poverty rate smoothly declined from 14.4 percent in 1984 to 14.0 in 1985 and to 13.6 in 1986. It was 13.5 percent in 1987. It is likely, then, that for most states year-to-year changes in poverty were also gradual and moderate. On balance we believe the improvement in precision from the larger sample more than compensates for the lack of year-specific poverty rates. Further, we believe that the large standard errors for each state in every year make year-to-year comparisons by state quite problematic, even in those cases where state economic trends diverged from the national ones.

The poverty lines used here are the official lines that the U.S. Bureau of the Census updates and maintains. They vary by family size, the number of related children, and the age of the household head. For example, in 1985 the poverty lines ranged from \$5,156 for an elderly person living alone to \$22,083 for a family of nine or more with at least one child under 18. The poverty line for a family of four was \$10,989. The lines increase each year to match the rate of inflation as measured by the Consumer Price Index.

Poverty rates are estimated by comparing the money income of a family (or unrelated individual, a one-person family) to its corresponding poverty line.³ If income is below the poverty line, then all the *persons* in that family are counted as poor.

State poverty rates in the mid-1980s

Table 1 contains the new estimates of the percentage of persons in each state who lived in households with incomes below the poverty line. The national poverty rate for the 1984-86 period was 14.0 percent (the same as the 1985 rate). During this three-year period some states had much higher poverty rates. The point estimates show six states with rates at least five percentage points above the national rate: Alabama (21.5 percent), Arkansas (22.4 percent), Louisiana (20.8 percent), Mississippi (25.6 percent), New Mexico (20.7 percent), and West Virginia (22.8 percent). The District of Columbia (19.2 percent) was also in this group. At the other end, four states had poverty rates five or more points below the national average: Connecticut (7.2 percent), Maryland (8.5 percent), Massachusetts (8.8 percent), and New Hampshire (5.6 percent).

The poverty rates in Table 1 are very similar to those published in *Focus* 10:3 for 1985. The simple correlation between the two sets of estimates is 0.96.

Were any of the differences between the two sets of rates statistically different from zero? Using the formula to compute the standard error of a difference, we find that only one difference (for Pennsylvania) exceeded twice its standard error and, hence, was significant at the 5 percent level. Because the new point estimates have smaller standard errors, we believe that this new series is more reliable.

Standard errors of estimated state poverty rates

The state poverty rates in Table 1 are subject to error from two sources: first, because a sample is taken to represent all persons; and second, because of nonsampling errors in

Table 1

Poverty Rates for Persons by State, Mid-1980s

New England			North Carolina	14.0	(0.70)
Maine	11.1	(1.30)	South Carolina	17.6	(1.42)
New Hampshire	5.6	(1.05)	Georgia	15.6	(1.36)
Vermont	10.2	(1.31)	Florida	13.3	(0.71)
Massachusetts	8.8	(0.58)	East South Central		
Rhode Island	11.2	(1.42)	Kentucky	18.5	(1.54)
Connecticut	7.2	(0.97)	Tennessee	17.8	(1.52)
Mid-Atlantic			Alabama	21.5	(1.83)
New York	15.2	(0.53)	Mississippi	25.6	(1.71)
New Jersey	9.5	(0.58)	West South Central		
Pennsylvania	12.4	(0.63)	Arkansas	22.4	(1.60)
East North Central			Louisiana	20.8	(1.57)
Ohio	12.4	(0.66)	Oklahoma	15.5	(1.37)
Indiana	12.2	(1.06)	Texas	16.2	(0.77)
Illinois	15.0	(0.73)	Mountain		
Michigan	14.4	(0.72)	Montana	16.3	(1.29)
Wisconsin	11.8	(1.22)	Idaho	16.4	(1.43)
West North Central			Wyoming	12.3	(1.49)
Minnesota	11.5	(1.25)	Colorado	10.8	(1.33)
Iowa	16.5	(1.43)	New Mexico	20.7	(1.56)
Missouri	14.3	(1.20)	Arizona	13.4	(1.50)
North Dakota	14.9	(1.37)	Utah	11.9	(1.31)
South Dakota	16.2	(1.38)	Nevada	12.4	(1.62)
Nebraska	14.6	(1.38)	Pacific		
Kansas	11.2	(1.19)	Washington	11.7	(1.34)
South Atlantic			Oregon	12.6	(1.42)
Delaware	11.3	(1.27)	California	13.4	(0.55)
Maryland	8.5	(0.94)	Alaska	10.4	(1.49)
District of Columbia	19.2	(1.53)	Hawaii	9.9	(1.15)
Virginia	10.6	(1.13)	United States	14.0	(0.16)
West Virginia	22.8	(1.61)			

Source: Computations by authors from March 1985, 1986, and 1987 Current Population Survey data tapes.
 Note: Standard errors are in parentheses.

response, processing, and systematic bias in the data. The extent of nonsampling error is not known, but the standard errors shown in Table 1 indicate the extent of sampling error and the effect of some response and processing errors. One should exercise caution in the interpretation of small differences between states.

The formula for computing standard errors of state estimates from the usual one-year CPS sample is

$$\sigma_{x,p} = \sqrt{f(b/x) \cdot p(100 - p)}$$

where x =estimated number of persons in the state, taken from the CPS data, p =estimated percentage of persons who are poor in the state, f =the state-specific factor given by the Census Bureau for 1985, and b =a parameter given by the Census Bureau to be used in computing standard errors of percentages. Since the sample in this work is double the usual one-year size, we doubled x in calculating the standard errors in Table 1.⁴

If one were to compute the standard error of the difference between two of the estimated state poverty rates, one would use the following formula:

$$\sigma_{x-y} = \sqrt{(\sigma_x)^2 + (\sigma_y)^2 - 2\rho(\sigma_x\sigma_y)}$$

where σ_x and σ_y = standard errors of the poverty rates of the two states and ρ , the correlation coefficient, =0 because poverty rates for two different areas are being compared. ■

¹ We do not triple the sample because of the nature of the CPS sample frame. Each sample household is interviewed for four consecutive months, omitted from interviews for the next eight months, again interviewed for four months, then dropped from the sample. Thus, half of the households interviewed in March 1985 would be in their first four months and would again be interviewed in March 1986, during their last four months. Similarly, half of the households in the March 1987 CPS would have also been interviewed in the March 1986 CPS.

To obtain a data set in which all observations are independent of one another, we dropped from the March 1985 data all households that were also interviewed in March 1986. We also dropped from the March 1987 data households that already appeared in the March 1986 CPS. As a result the March 1985 and 1987 CPSs each added half of their samples to the complete middle-year CPS.

² The formula for computing standard errors of poverty rates from the CPS shows that doubling the sample size reduces its standard error by a factor equal to the inverse of the square root of 2, or by 29 percent. The formula is the first that appears at the end of this article.

³ "Money income" includes all cash income from labor market earnings, dividends, interest, rent, pensions, government income support programs, and any other periodic income source. Taxes are not deducted. Noncash forms of income such as fringe benefits or government benefits from food stamps or Medicare are not counted.

⁴ The formula was provided by the Bureau of the Census. It differs from the one published in the appendix to the Bureau's series P-60 reports by inclusion of the state-specific factor. For discussion on how to use the standard errors to construct confidence intervals around each point estimate, see the fall 1987 *Focus* article.

Institute for Research on Poverty: New Funding and Small Grants

The Office of Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services will support research at the Institute during the two-year period from mid-1989 to mid-1991.

These funds, authorized by recent congressional action, will make it possible to initiate a number of new projects for which planning is now under way. They will also permit continuation of the Institute's Small Grants program. Guidelines for the eighth competition under this program will be available after November 1, 1988, and the application deadline will be February 17, 1989.

Four small grants of up to \$12,500 each will be offered for research on poverty-related topics during the summer of 1989. These grants do not require residence in Madison. Two grants of up to \$25,000 each are planned for visitors in residence at Madison or at the Department of Health and Human Services during the academic year 1989-90.

IRP Executive Committee

The Dean of the College of Letters and Science at the University of Wisconsin-Madison has appointed the following faculty members to serve on the Institute's Executive Committee during the 1989-90 academic year. The committee provides internal advice on research priorities and related institutional topics.

Irwin Garfinkel, Social Work

Arthur Goldberger, Economics

Linda Gordon, History

Robert Haveman, Economics and La Follette Institute of Public Affairs

Charles Manski, IRP Director, Committee Chair

Robert Mare, Sociology

Sara McLanahan, Sociology

Craig Olson, School of Business and Industrial Relations Research Institute

Irving Piliavin, Social Work

Gary Sandefur, Social Work and Sociology

Barbara Wolfe, Economics and Preventive Medicine

Notes on Institute researchers

Sheldon Danziger, Gary Sandefur, and Marta Tienda serve on the academic advisory committee for "Poverty in America: A College Course for Public Television." A proposal for this program, a thirteen-part television series, is being developed by the Villers Foundation.

Irwin Garfinkel testified at hearings on the Child Support Enforcement Program held by the Subcommittee on Public Assistance and Unemployment Compensation, Committee on Ways and Means, U.S. House of Representatives, March 2, 1988. He has been appointed a Visiting Scholar at the Russell Sage Foundation, January-June 1989.

Arthur S. Goldberger was selected as a Distinguished Fellow of the American Economic Association in 1988. He serves on the Commission on Behavioral and Social Sciences and Education of the National Research Council.

W. Lee Hansen received a University of Wisconsin-Madison Hilldale Award in recognition of a distinguished career in teaching, research, and service. A Senior Fulbright Award enabled him to visit the University of Sydney, Australia, March-May 1988.

Robert H. Haveman was elected Vice President of the International Institute of Public Finance. He has also been appointed to the Advisory Boards of the Labor Market Research Unit of Wissenschaft Centrum Berlin (Science Center Berlin) and the Vanderbilt Institute of Public Policy Studies.

Karen Holden is Chair of the Study Group on the Economics of Aging, Gerontological Society of America. She has been appointed to the Council Committee on Retirement of the American Association of University Professors.

Maurice MacDonald was a Visiting Research Associate in the School of Social Welfare, University of California, Berkeley, during the 1987-88 academic year. He has been appointed to the Academic Advisory Board of the Center on the Family in America of the Rockford Institute and to the University of Wisconsin-Madison Graduate School Research Committee.

Sara McLanahan has been elected to the Board of Overseers of the Panel Study of Income Dynamics and to the Family Section Council of the American Sociological Association. She will be a Visiting Scholar at the Russell Sage Foundation, January-June 1989.

Charles F. Manski was appointed director of the Institute for Research on Poverty on July 1, 1988.

Marygold Melli chairs the Advisory Committee to the American Association for Protecting Children, which is the children's division of the American Humane Association.

Robert Moffitt was named editor of the *Journal of Human Resources* in June 1988.

Philip K. Robins was a panelist at the Foundation for Future Choices Symposium on Child Care, Washington, D.C., May 18-19, 1988. He was appointed Chair of the Department of Economics, University of Miami, on August 1, 1988.

Gary Sandefur has become a professor in the School of Social Work and the Department of Sociology, University of Wisconsin-Madison. He has been appointed to the University of Wisconsin-Madison Graduate School Research Committee.

Eugene Smolensky is the new dean of the Graduate School of Public Policy at the University of California, Berkeley.

Michael Sosin is a professor at the School of Social Service Administration, University of Chicago.

Marta Tienda has been appointed to the Board of Directors of the Population Resource Center and the Board of the Alan Guttmacher Institute. She has also been appointed to the Committee on the Urban Underclass of the Social Science Research Council.

Michael Wiseman has accepted an appointment as Professor of Public Policy, Urban and Regional Planning, and Economics at the University of Wisconsin-Madison. He is also an affiliate of the La Follette Institute of Public Affairs.

Barbara Wolfe is a Research Associate at the National Bureau of Economic Research. She was a Visiting Scholar at the Science Center, Berlin, November 1987. She is presently Chair of the Economics Screening Panel of the Committee for International Exchange of Scholars (Fulbright Fellowship Committee).

The consequences of single parenthood for subsequent generations

by Sara McLanahan

Sara McLanahan is Associate Professor of Sociology and an affiliate of the Institute for Research on Poverty at the University of Wisconsin-Madison. With Irwin Garfinkel she is co-author of *Single Mothers and Their Children: A New American Dilemma* (Washington, D.C.: Urban Institute Press, 1986).

Until the 1960s it was generally assumed that broken homes had dire consequences for the children raised in them, consequences that extended throughout their lives. Ironically, it was Daniel Patrick Moynihan's confirmation of this assumption in *The Negro Family: The Case for National Action*¹ that sent the pendulum swinging temporarily in the other direction. In his 1965 report, Moynihan suggested that the deterioration of the black family—the increasing numbers of single-parent black families on welfare—could prevent the next generation from taking advantage of the greater opportunities being made available through the War on Poverty and Great Society programs. The report created such a furor in a society newly sensitized to racism that academic researchers responded by emphasizing the strengths of single-parent families and particularly the strength of black women, who, lacking male support, often raised large families while working long hours at menial jobs. Thus many studies in the late 1960s and 1970s suggested that family disruption had few, and relatively small, persistent negative effects on the lives of offspring.

Much has changed in the past two decades. The mother-only family has become even more prevalent. Between 1960 and 1983 the percentage of children living in a family headed by a woman increased from about 8 percent to more than 20 percent,² and it has remained at this high level. In 1986 23.4 percent of children lived with one parent.³ In the 1960s single motherhood typically lasted only three to five years and ended in remarriage. Today the time during which children live with one parent averages longer: about five years for whites and seven for blacks. Furthermore a large and growing minority of black children are born to never-married women and can expect to spend their entire childhood in a mother-only family. Single-mother families have had substantially higher poverty rates than other groups for the past fifteen years, and the gap between them and the next poorest groups (the disabled and the aged) has increased.⁴

Not only have circumstances changed, research on the consequences of single parenthood has improved. Many of the earlier studies had such methodological problems as selective samples, crude measures of family structure and family economic status, and incomplete information on intergenerational outcomes, which made it difficult to assess the full extent of family effects. New data containing more detailed information on parents' marital history and economic background have recently become available, chief among them a number of longitudinal studies that follow children throughout their adolescent years and into adulthood.⁵

A further change has taken place in the climate of opinion. The single-parent family is no longer seen as a uniquely black phenomenon, but as a problem of national proportions shared by all social and racial groups. Black family disruption in the 1950s and 1960s was not a trend running counter to the rest of society; blacks were merely the vanguard. Indeed the rate of out-of-wedlock births to white teenagers is still mounting, whereas in the black community it is declining. It is no longer considered a form of veiled racism, therefore, to explore the intergenerational consequences of single parenthood. And the evidence indicates that public opinion and not researchers were right the first time: children from single-parent families are disadvantaged in a number of ways that impair their future and the futures of their own children.

The evidence for intergenerational effects

On education

Low educational levels, especially failure to graduate from high school, result in unemployment and poverty. My research has demonstrated that adults who grow up in one-parent families complete fewer years of school than those who spend most of their formative lives in two-parent households.

In "Family Structure and the Reproduction of Poverty,"⁶ I examined high school graduation using the Panel Study of Income Dynamics (PSID), a representative survey of households that has followed 5,000 American families since 1968.

Information for this study was based on a sample of respondents who were between the ages of 24 and 27 in 1978 and

who had been dependent children of panel families at age 17. High school completion was measured by whether the respondent had graduated from high school by age 24. I found that PSID offspring who are living with single mothers at age 17 are less likely to complete high school than offspring who are living in two-parent households. Living in a mother-only family decreases the incidence of high school completion by 4 percentage points for the average child. The proportion of children who complete high school drops from 89 percent to 85 percent for whites and from 83 percent to 79 percent for blacks, controlling for place of residence and parent's education and income. The numbers are even higher for those with a greater risk of dropping out. For children with a 50-50 chance of finishing school—those living in poverty areas of large northern central cities, for example—living in a mother-only family decreases high school completion by 7-11 percentage points.

In another study, Larry Bumpass and I used the public use sample data tapes from the 1980 census⁷ to examine the correlations between family structure and dropping out of school for different American racial/ethnic groups. We found that living in a mother-only family decreases high school completion by 8 percentage points for whites and Native Americans, and by 4, 6, and 8 percentage points for blacks, Mexican-Americans, and Puerto Ricans, respectively. An even greater effect on a child's propensity to leave school is the level of education of his or her mother. A mother who has not graduated from high school increases the incidence of her children dropping out by about 10 percentage points for whites, 8 percentage points for blacks, and 11 percentage points for Mexican-Americans and Native Americans. Such results bode ill for future generations born to teenage single mothers, who often leave school in order to care for their children.⁸

In a third study, Nan Astone, Nadine Marks, and I used the High School and Beyond survey (HSB) to examine the relationship between family structure and high school graduation.⁹ Our sample consisted of about 12,000 boys and girls from the sophomore cohort, interviewed first in 1980 and reinterviewed in 1982 and 1984. The results from this study were similar to those from the PSID and the census. For the average child, living in a mother-only family increases the incidence of school dropout by 5 percentage points for all three groups, controlling for parent's education and income.

Table 1 provides a summary of results obtained from the PSID, the 1980 census, and the HSB, showing the relationship between a disrupted family and children's disrupted education.

On female headship and AFDC dependence

I also used the PSID to explore the question, Are the children of single parents more likely than others to become single parents themselves and become dependent on welfare?¹⁰ The sample for this study consisted of daughters who were between the ages of 17 and 26 in 1982 and were living in

Table 1
Increase in the Incidence of High School Dropout Associated with Living in a Mother-Only Family (in percentage points)

	Data Sets		
	PSID	1980 Census	HSB
Whites	4	8*	5*
Blacks	4	4*	5*
Hispanics	n.a.	6*	5*
Native Americans	n.a.	8*	n.a.

Note: Results control for parent's education and income. Estimates are calculated from a logistic regression model. Percentages are calculated for the population mean.

n.a. = not available.

* significant at the 0.05 level.

panel families at age 16. Because the PSID contains information on the marital and parental status of offspring only if they leave their parental family and establish independent households, the study was confined to women who became heads of households rather than all of those who became single mothers.

Table 2 shows the risk of becoming a female household head for daughters who lived in a single-parent family at any time during adolescence. According to these data, exposure to single parenthood increases the rate of becoming a single mother by about 150 percent for whites and by about 90

Table 2
Percentage Increase in the Rate of Becoming a Single Household Head Associated with Living in a Single-Parent Family

	Whites	Blacks
Family structure during adolescence		
Single-father family	153†	93†
Single-mother family	137*	87*

Notes: Estimated from a proportional hazard model. Family structure during adolescence refers to living with a single parent at any time during ages 12-16.

*Significant at the 0.05 level.

†Significant at the 0.10 level.

percent for blacks. Note that living with a single father has the same consequences as living with a single mother.

When welfare receipt rather than female headship is the outcome variable, the results are similar. Living with a single mother increases the likelihood of becoming a welfare mother by 10 percentage points for whites and by 22 percentage points for blacks. Parent's receipt of welfare is also a significant determining factor for the next generation to become welfare recipients.

Larry Bumpass and I also examined the effects of family disruption on adult family experience using data from the 1982 National Survey of Family Growth, a representative survey of almost 8,000 women between the ages of 15 and 44.¹¹ The data provide retrospective information on the marital and fertility histories of the women as well as informa-

tion on the marital histories of their families of origin. This includes not only when the respondent last lived with both parents (i.e., time of family disruption) or whether the mother was unmarried at the birth of her daughter, but also the cause of disruption—widowhood, divorce, or separation—and whether the parent had remarried by the time the respondent was 14.

We examined four outcomes: (1) teen marriage, defined as marriage before age 20; (2) teen birth; (3) premarital birth; and (4) marital disruption (for respondents who marry).

Table 3 shows the increased risk of these outcomes for women who grow up in disrupted homes, compared to those who grow up in two-parent homes. Three models were tested. The first model distinguishes only the two types of families: two-parent and single parent. The second model

Table 3
Percentage Increase in the Rate of Teenage Marriage, Teenage Birth, Premarital Birth, and Marital Disruption Associated with Living with a Single Parent

	Teenage Marriage	Teenage Birth	Premarital Birth	Marital Disruption
<i>Whites</i>				
Nonadjusted model				
Widowed parent	30*	75*	175*	40*
Other parent absence ^a	53*	111*	164*	92*
Model adjusted for background ^b				
Widowed parent	17	57*	161*	35*
Other parent absence	43*	98*	160*	87*
Model adjusted for background and respondent's education ^c				
Widowed parent	5	34*	124*	28
Other parent absence	28*	58*	118*	77*
<i>Blacks</i>				
Nonadjusted model				
Widowed parent	-10	21*	34*	21
Other parent absence ^a	6	50*	60*	44*
Model adjusted for background ^b				
Widowed parent	-12	18	31*	22
Other parent absence	6	51*	61*	36*
Model adjusted for background and respondent's education ^c				
Widowed parent	-15	12	28	21
Other parent absence	-1	36*	52*	32*

Note: Estimated from a proportional hazard model.

^aIncludes parents never married, divorced, or separated, and respondents living with neither parent.

^bBackground variables are region of country, parent's education, and religion.

^cBackground variables are same as above plus respondent's high school completion.

*Significant at the 0.05 level.

shows the effects of living with a single parent when one controls for the education of the parent (an estimate of socioeconomic status) and respondent's religion and current region of residence. Comparing models 1 and 2 enables us to determine whether the observed relationship between parent's marital behavior and offspring's behavior is due to differences between disrupted families and other families in regard to these characteristics. The third model controls as well for the education of the respondent. In all three models the effects of widowhood are treated separately, since it is assumed that widowhood will not have as pronounced an effect on the next generation as will other types of disruptions.

The results are striking. When no background factors are taken into account, white respondents who spend time in a single-parent family are more likely to marry while teenagers. (The rate increases by between 30 and 53 percent.) They are more likely to give birth while teenagers (a rate increase of between 75 and 111 percent). They are also more likely to have babies out of wedlock and more likely to experience marital disruptions than are daughters who grow up in two-parent families.¹² These effects are moderated only slightly when education of parent, religion, and region of residence are controlled. Note that the effects are smaller for daughters who live with widowed mothers, except in the case of premarital births among whites. Including the respondent's own educational attainment has the greatest consequence for the likelihood of a teenage birth: graduation from high school reduces that likelihood by about 40 percent for whites (not shown in table). As in the examination of education, this result emphasizes the tie between parental marital disruptions and teenagers both dropping out of high school and giving birth.

The pattern for black women is quite similar to that for whites, with one exception: there is no association between disrupted family and early marriage.¹³ It is also true that the effects of family structure on both early childbearing and divorce are substantially smaller for blacks than for whites. Controlling for background factors has almost no effect on the relationship between a disrupted home and family outcomes for blacks.

We also looked at several other questions regarding parents' marital disruption, including age of respondent when disruption occurred, sex of custodial parent, and whether a remarriage had occurred by the time the respondent was 14. We found that disruptions during early childhood (ages 1-4) and adolescence (11-14) have more negative effects than disruptions in the middle years (5-10). Even though single-father families are a relatively rare and highly selective group, we found no difference in outcomes among whites when the daughters lived with their fathers rather than their mothers. The absence of a mother appears to be just as harmful as the absence of a father in its implications for future family experience. The results among blacks were substantially the same, except that black daughters who did

Publications by McLanahan on Intergenerational Effects of Family Disruption

"Family Structure and the Reproduction of Poverty," *American Journal of Sociology* 90 (January 1985), 873-901.

"Family Structure and Dependency: Early Transitions to Female Household Headship," *Demography* 25 (February 1988), 1-16. Available as IRP Reprint no. 575.

with Nan Astone and Nadine Marks, "The Role of Mother-Only Families in Reproducing Poverty." Paper presented at Conference on Children and Poverty, Lawrence, Kansas, June 20-22, 1988.

with Larry Bumpass, "Intergenerational Consequences of Family Disruption," *American Journal of Sociology* 94 (July 1988), 130-152. (Also available as IRP Discussion Paper no. 805-86.)

with Larry Bumpass, "Comment: A Note on the Effect of Family Structure on School Enrollment," in Gary D. Sandefur and Marta Tienda, eds., *Divided Opportunities: Minorities, Poverty, and Social Policy* (New York: Plenum, 1988).

with Irwin Garfinkel, "Single Mothers, the Underclass, and Social Policy," *Annals of the American Academy of Political and Social Science*. Forthcoming. Available as IRP Discussion Paper no. 868-88.

not live with their mothers were more likely than those who did to marry early. Perhaps living with their mothers enables pregnant teenagers to manage more readily without marriage. Finally, we found that remarriage did not reduce the impact of an earlier disruption, nor did it have additional negative consequences on daughters' behavior.

Looking for causes

A number of hypotheses have been put forward to explain why the effects of disrupted homes should carry over to the next generation. Among these are theories of economic deprivation, parent-child relations, selectivity, and structural factors in the economy and society that limit the opportunities of the offspring in the same ways that the opportunities of their parents were limited.

Economic deprivation

As mentioned earlier, a large proportion of single parents and their children are poor. In 1986 persons living in female-headed families made up over half of the poverty population, amounting to about 17 million people. Over 46 percent of all

female-headed households with children were poor, compared to 8.5 percent for two-parent families with children.¹⁴ And the effects of poverty upon economic attainment in the next generation are readily demonstrable. Poor families have less money to spend on educational activities. The parents have less time available to help their children with schoolwork, and the children themselves often must take jobs or do work in the house, such as babysitting, that takes time away from their studies. If it can be shown that all of the effects of single parenthood are caused by the economic circumstances of single mothers, that is another way of saying that single parenthood in and of itself has no effect on the next generation.

Obviously the best way to test this hypothesis is to compare children from single-parent families with children from two-parent families while controlling for economic status. Such comparisons, however, pose many problems. Most data sets do not have adequate information on income (much less assets) of families when their daughters are in their teens, and it is difficult to quantify the resources brought by the second spouse to the marriage.

My own studies suggest that income can account for about half of the difference in high school graduation between children from one- and two-parent families.¹⁵ In the PSFD and census studies, we attempted to control for economic circumstances by taking account of family income, family need (determined by number of children), and mother's education. In the HSB study, we used a composite measure of socioeconomic class that was based on family income, parents' education and occupation, and material resources in the household. With respect to daughters' future family behavior, family economic status appears to account for as much as 25 percent of the difference between offspring from one- and two-parent families in the proportion of daughters who become household heads.¹⁶ It does not, however, account for differences between stepfamilies and intact families, since the income difference between these two types of households is quite small on average.

These results suggest that while economic deprivation plays an important role in the transmission of problems from single-parent families to the next generation, it does not provide a complete explanation.

Parent-child relations

A second major explanation of the failure of offspring from one-parent families to do as well as others when adults concerns how children are socialized and how marital disruption may interfere with the transmission of appropriate norms and values. Some socialization theorists claim that parental conflict as well as the absence of one parent interferes with the child's attachment to the parents, making it more difficult to transmit values. Others argue that the absence of one parent alters the family's methods of making decisions and weakens parental control over the behavior of the children. It has been reported, for example, that single mothers exercise less supervision over their daughters' dat-

ing, which in turn leads to earlier sexual activity and premarital births.¹⁷ (This thesis blends into the argument for economic deprivation. If a single mother can stay home to watch her teenaged children or see that they are involved in group activities, there need be no lack of supervision.) It has been suggested as well that single mothers are less effective disciplinarians—less authoritative and sure of themselves than are parents in two-parent families. Whatever their capabilities for managing their children, a couple can gang up on a teenager; a single parent cannot.

Innate ability

Losers beget losers. Or so it is argued by those who believe that some sort of selectivity determines the relationship between the generations. Less able people may have less stable marriages and their children may be less successful as adults. Perhaps a pathology is transmitted across generations, or differences exist in some psychological factor that influences self-preservation and self-enhancement. Selectivity is a plausible alternative to theories that blame family disruption or absence of a parent for the lower achievement of children. It is difficult to test such a hypothesis, however, since we do not have information on all the relevant variables, and someone can always claim that an "unobserved" variable is responsible for the intergenerational link. To date the evidence is mixed on the selectivity argument. On the one hand, research has shown that children from "high conflict" families have more problems in school regardless of whether their parents divorce (evidence in favor of selectivity).¹⁸ On the other hand, the fact that daughters of widowed mothers are more likely to have a premarital birth suggests that selectivity is not the whole story.

Social and economic structure

A final explanation focuses on structural factors. Lack of opportunity experienced by succeeding generations perpetuates an underclass. Poor women in the ghetto who bear children by men who are unemployed and cannot therefore afford marriage and a family raise their children in circumstances that will cause the pattern to be repeated. As pointed out by William Julius Wilson,¹⁹ middle-class blacks have moved away from the inner cities, thereby increasing the isolation of poor black families (increasingly female-headed) and reducing the opportunities of their offspring. It is hypothesized that, lacking access to jobs or networks that facilitate job search, inner-city youth become discouraged and drop out of school. For young black women, hopelessness translates into early pregnancy and single motherhood.

This suggests that both economic deprivation and parent-child relations must be viewed in a larger context. Not just the income and assets of the family, or the role models or parenting styles of the parents, but the opportunities and behavior patterns in the community in which a family lives may determine the futures of children in disrupted homes.

Information on structural characteristics is hard to come by. Most surveys do not ask respondents about their neighbor-

hoods, although some researchers have begun to link census tract or county information to individual records in order to test the neighborhood hypothesis. These studies suggest that such characteristics as community poverty rates, unemployment rates, and quality of housing are related to early pregnancies and lower wages among adolescents and young adults.²⁰ Since single mothers, and especially black single mothers, are somewhat more likely to live in disadvantaged neighborhoods than two-parent families, structural variables may account for some of the difference between one- and two-parent families. Most single mothers, however, do not live in such neighborhoods, and therefore it is unlikely that structural variables can account for all of the difference.²¹

Conclusion

Many people assume that the task of parenting is more difficult for the single parent than for two parents together. This seems to be a reasonable assumption, given the economic and psychological resources that go into raising a child. But the final verdict is not in. The challenge for researchers is to determine whether or not this is true, and if so, what can be done to compensate for the absence of a parent in the household. This recent research suggests that the problem is more serious than the conventional academic wisdom has deemed it to be. ■

¹¹McLanahan and Larry Bumpass, "Intergenerational Consequences of Family Disruption"; see box.

¹²On average 39 percent of white women marry as teenagers, 20 percent give birth while teenagers, 6 percent have an out-of-wedlock birth, and 16 percent experience marital disruption.

¹³On average black women have lower rates of teenage marriage than do whites, but they have much higher rates of teenage birth (45 percent), premarital birth (44 percent), and marital disruption (25 percent).

¹⁴U.S. House of Representatives, Committee on Ways and Means, *Background Materials*, pp. 713 and 718.

¹⁵Sara S. McLanahan, "Family Structure and the Reproduction of Poverty"; McLanahan and Larry Bumpass, "Comment: A Note on the Effect of Family Structure on School Enrollment"; McLanahan, Astone, and Marks, "The Role of Mother-Only Families in Reproducing Poverty." All are listed in box.

¹⁶"Family Structure and Dependency"; "The Role of Mother-Only Families in Reproducing Poverty."

¹⁷D. P. Hogan and E. M. Kitagawa, "The Impact of Social Status, Family Structure, and Neighborhood on Fertility of Black Adolescents," *American Journal of Sociology* 90 (1985), 825-855.

¹⁸R. E. Emery, "Interparental Conflict and the Children of Discord and Divorce," *Psychological Bulletin* 92 (1982), 310-330.

¹⁹See, for example, "Cycles of Deprivation and the Underclass Debate," *Social Service Review* 59 (1985), 541-559, available as IRP Reprint no. 535; and *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).

²⁰Hogan and Kitagawa, "The Impact of Social Status"; M. Corcoran, R. Gordon, D. Laren, and G. Solon, "Intergenerational Transmission of Education, Income and Earnings," working paper, Institute of Public Policy Studies, University of Michigan, Ann Arbor, 1987.

²¹McLanahan and Irwin Garfinkel, "Single Mothers, the Underclass, and Social Policy"; see box.

¹Reproduced in Lee Rainwater and William C. Yancey, *The Moynihan Report and the Politics of Controversy* (Cambridge: MIT Press, 1967).

²U.S. Bureau of the Census, *Household and Family Characteristics, March 1983*, Current Population Reports, Series P-20, No. 388 (Washington, D.C.: GPO, 1984).

³U.S. House of Representatives, Committee on Ways and Means, *Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means* (Washington, D.C.: GPO, 1988), p. 633.

⁴Irwin Garfinkel and Sara S. McLanahan, *Single Mothers and Their Children: A New American Dilemma* (Washington, D.C.: Urban Institute Press, 1986), p. 13.

⁵These include the Panel Study of Income Dynamics, 1968-1985, the High School and Beyond survey, 1980-1986, the National Longitudinal Survey of Youth, 1979-1986, the National Survey of Family Growth, 1982, and the National Survey of Families and Households, 1987. The last two surveys are cross-sectional, but they contain detailed retrospective histories on childhood family experience as well as adult marital and fertility history.

⁶See box, p. 19.

⁷McLanahan and Larry Bumpass, "Comment: A Note on the Effect of Family Structure on School Enrollment"; see box.

⁸C. D. Hayes (ed.), *Risking The Future: Adolescent Sexuality, Pregnancy, and Childbearing* (Washington, D.C.: National Academy Press, 1987).

⁹"The Role of Mother-Only Families in Reproducing Poverty"; see box.

¹⁰"Family Structure and Dependency"; see box.

New work under way

Alcoholism and Homelessness: An Empirical Analysis

Principal investigators: Irving Piliavin, University of Wisconsin-Madison; and Michael Sosin, University of Chicago

During the past decade currency has been given to the view that the homeless population in America is increasingly composed of people who are mentally ill, able-bodied but unemployed, or members of poor families. Some are said to be employed but unable to pay the costs of housing. These characterizations have generally replaced the more traditional belief that the homeless population is composed of those who no longer fit within American society by virtue of such personal problems as heavy alcohol and drug use.

Yet evidence concerning the growth of the "new" homeless is weak. With very few exceptions, studies of the population have flawed designs, serious conceptual shortcomings, and relatively weak analytic procedures. At the same time, studies often fail to analyze the possible continuing role of alcohol consumption in homelessness.

With a grant from the National Institute of Alcohol Abuse and Alcoholism to build on their prior work, which was funded by the U.S. Department of Health and Human Services and the Chicago Community Trust, Piliavin and Sosin intend to enhance the current understanding of the relationship between alcohol use and homelessness, using two data sets they developed over the past year. The first is a cross-sectional data set based on 535 respondents sampled from the Chicago area. In this sample slightly under one-half were homeless and the rest were "near homeless." The second set is a panel study of 450 homeless persons sampled in the Minneapolis area. Of this group 255 were reinterviewed four to six months after the first interview. The data sets contain measures of such variables as living arrangements, alcohol/drug use, utilization of alcohol treatment programs, demographics, attitudes, perceptions, and socioeconomic variables.

Four questions will be examined: (1) the degree to which alcohol use, independent of other presumed causes, can be linked to homelessness; (2) the factors that determine whether or not alcohol use results in homelessness; (3) the homeless experience, over a period of up to six months, of individuals who vary in the severity of their drinking patterns; and (4) the role played by social agencies and treatment programs in assisting homeless people who have drinking problems, and the barriers to use of this service.

Intergenerational Consequences of Family Disruption

Principal investigator: Sara S. McLanahan, University of Wisconsin-Madison; collaborating investigators: Larry Bumpass and Gary Sandefur, University of Wisconsin-Madison

Under a grant from the National Institute of Child Health and Human Development, this research will examine the consequences of living with a single parent on

- educational attainment
- "inactivity," defined as not working and not attending school
- early family transitions (e.g., fertility, marriage)
- psychological well-being during adulthood
- family relationships during adulthood.

Three alternative but complementary hypotheses are tested: (1) the "economic deprivation hypothesis," which argues that lower attainment is due to a lack of parental investment; (2) the "socialization hypothesis," which argues that lower attainment is due to differences in parental values or lack of parental control; (3) the "neighborhood hypothesis," which argues that lower attainment is due to social isolation and lack of employment opportunities.

The data sets include the National Longitudinal Survey of Youth, the Panel Study of Income Dynamics, the High School and Beyond survey, and the National Survey of Families and Households. Each of these surveys has one or more features that makes it uniquely attractive for studying intergenerational relationships.

This research extends McLanahan's work on the long-term effects of marital disruption in several areas. The four surveys contain rich information on family structure, individual ability and socialization experiences, and neighborhood characteristics; new dependent variables, such as inactivity and psychological well-being, are being explored; and Hispanics have been added to previous comparisons of blacks and whites. The research will also attempt to distinguish between consequences of predivorce family conditions and consequences of postdivorce conditions. A report on McLanahan's results to date are presented in this issue of *Focus*.

Life Options and Teen Motherhood among Disadvantaged Female Adolescents: A Qualitative Study

Principal investigators: Naomi Farber, University of Wisconsin-Madison; Sandra K. Danziger, University of Michigan

This study compares inner-city young women who become parents and AFDC recipients with their peers who have not given birth. It began in 1987 with pilot funding from the U.S. Department of Health and Human Services and will be supported by the Spencer Foundation through 1988-89.

Research in this first 18 months will form the baseline for a longitudinal and multisample study of subjective experiences and perceptions of these young women and their impact on school completion and early parenthood. The unique focus of this work is the ability to compare and contrast the outlooks of impoverished youth who respond to environmental constraints in different ways (i.e., dropping out versus graduating and/or becoming mothers versus remaining childless). It is expected that a description of the factors that shape young women's sense of their options will contribute to policy debates over intervention strategies to reduce teen pregnancies and births and subsequent welfare reciprocity and long-term poverty.

Inner-city and primarily minority young women are being interviewed in Milwaukee and Detroit. In the first year, the sample size will be 120 (60 in each city, half of whom have become parents). In the second year, a younger sample of girls will be interviewed to explore factors that predict later pregnancy, dropping out of school, and other events.

"Macroeconomic Conditions, Public Policy, and Poverty, 1940-1988": A Monograph

Authors: Sheldon Danziger, University of Wisconsin-Madison and University of Michigan; Peter Gottschalk, Boston College

Sheldon Danziger, former director of the Institute, and Peter Gottschalk have received a grant from the Russell Sage Foundation to produce a book analyzing the roles that macroeconomic, demographic, and policy changes have played in determining trends in poverty and income inequality over the period 1940-88.

The authors will build on their previous research using the Censuses of Population of 1940-80 and the March Current Population Surveys of 1969-88. A consistent time series on poverty and family incomes from 1940 to 1988 will be analyzed for various population groups—children, the elderly, minorities, and single-parent families. Then these trends will be decomposed to account for the effects that macroeconomic conditions, demographic changes, and government policies have had on poverty.

Although rapid economic growth was the most powerful force pulling families out of poverty between 1940 and 1960, it is open to question whether similar rapid growth rates today would have similar impacts on poverty. Other factors, such as an unexplained increase in inequality within many demographic groups, a reduction in the rate of growth of income maintenance transfers, and a shift in the composition of the poor toward groups least likely to benefit from economic growth have all countered the antipoverty effectiveness of growth. The monograph will examine the effects of demographic shifts (such as old people choosing to live alone and children increasingly living with single mothers rather than in two-parent families), regional economic diversity, the differential effects of government policies, cyclical and frictional unemployment rates, and the sources of economic growth on the level and the distribution of income.

The Comparative Project on Class Structure, Class Biography, and Class Consciousness in Advanced Societies

Principal investigator: Erik Olin Wright, University of Wisconsin-Madison

This long-term large-scale research project to investigate the class structures of contemporary industrial societies and their effects on the social and political attitudes of individuals has received additional funding from the National Science Foundation. So far, the U.S. questionnaire has been replicated by questionnaire surveys in eleven countries: Australia, Canada, Denmark, Finland, Great Britain, Japan, New Zealand, Norway, Sweden, West Germany, and the Soviet Union. The survey being used in the Soviet Union contains about 70 percent of the questions in the original U.S. survey and a range of new questions. A new survey in the United States will replicate the revised Soviet survey. This work will generate the first systematic comparative data on the United States and the Soviet Union on a broad range of sociological issues concerning inequality, work, authority, and social attitudes.

Research into the Wisconsin Employment and Job Training Program

Principal investigator: Gary Sandefur, University of Wisconsin-Madison; researchers: Michael Wiseman and Tom Corbett, University of Wisconsin-Madison

The Kenosha County Department of Social Services, Kenosha, Wisconsin, has contracted with Sandefur, Wiseman, and Corbett to provide technical assistance in designing a workfare management information system to be used in conjunction with the Work Experience and Job Training Program (WEJT), a Wisconsin program linking employment and job training with receipt of welfare. This contract

extends a collaborative effort to put the WEJT program into effect and measure its consequences. The researchers will determine what information should be collected, the form in which it is collected, the responsibilities of ongoing data collections, the instruments needed for assessing the skills of clients, and the forms required for reporting. The Wisconsin Department of Health and Social Services intends to transfer this system to other WEJT pilot counties pending development of a statewide automated case management system.

The researchers also will develop and prepare an evaluation design to measure the effectiveness of the WEJT. The objectives of the program will be specified, as will the major variables and measures for monitoring and evaluating the program components. Procedures for monitoring the operation of the WEJT pilot will be specified, as will the necessary documents and reports.

The researchers will assist in other ways, including helping to determine the best criteria and procedures for selecting clients and identifying the key public policy and program research questions regarding welfare reform that can be addressed using the Kenosha WEJT data base. It is intended that the lessons drawn from this comprehensive case study of a single work-welfare program will be applied to similar programs in Wisconsin and elsewhere. ■

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Conference on the Effects of Income Taxation on Labor Supply in Industrialized Countries

Project directors: Robert Moffitt, Brown University;
Eugene Smolensky, University of California, Berkeley

In 1986 the U.S. Congress enacted legislation that changed the structure of the tax code more extensively than at any time in the last fifty years. Among other things, the legislation reduced the number of brackets in the tax schedule and eliminated a number of deductions available to individuals. The recent reform has given greater impetus to research on the relationship between marginal tax rates and labor supply.

The tax reform movement has also spread to other industrialized countries. In Great Britain the marginal rate was lowered in the early 1980s and again in 1988. Active discussions of reductions in marginal rates are under way in the Netherlands, Germany, France, and Japan. Research by economists in Sweden, Norway, Spain, and Italy is also directed toward the work effects of potential tax reform in those countries.

To take advantage of this simultaneous research activity and public discussion, the National Science Foundation funded a conference at the Johnson Foundation's Wingspread Conference Center in Racine, Wisconsin, October 12-14, 1988, under the leadership of Robert Moffitt and Eugene Smolensky. The conference brought together economists from seven industrialized countries in Europe as well as the United States. The participants presented papers based upon their research on the tax systems and tax reforms in their countries. The next issue of *Focus* will contain a summary of the conference.