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The underclass: Assessing what we have learned

by William R. Prosser

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Introduction

Over the last five years, policy and scholarly debates have focused a great deal of attention on a group called the "underclass." During 1987 and 1988, the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services commissioned ten papers on the underclass in hope of informing this debate. The six papers commissioned in 1987 were empirical explorations of various issues related to under-

class behavior and concentration. Because it was felt that these papers would not necessarily provide a unifying conceptual base to guide policy discussions to deal with the underclass, four theoretical models were commissioned the following year.

In March 1990, ASPE and the Joint Center for Political and Economic Studies (JCPES) cosponsored a forum at which these papers were presented and discussed. The conference was organized to follow a series of smaller conferences and workshops covering various aspects of the underclass, sponsored over a period of several years by JCPES. It also followed a much more comprehensive conference on the "truly disadvantaged," jointly sponsored by the Social Science Research Council and the Center for Urban Affairs and Policy Research at Northwestern University in October 1989.¹

The series of conferences and attendant papers were a significant investment in an important line of research on low-income people and the neighborhoods in which they live. This article is an attempt to synthesize what we have learned from ASPE's share of the research. While it deals

primarily with the conference papers and discussions, it also draws on a few scholarly materials which have become public since then. This synthesis is motivated by a belief that one of ASPE's primary roles is to try to inform the public debate on important social issues and to enhance public policy research.²

ASPE's general interest in research on the underclass was reflected in the following questions, raised in the solicitations of research studies and conference agenda:

- Is "underclass" a useful concept?
- What have we learned about the underclass?
- Does the concept of neighborhood concentration bring anything new to the discussion of poverty? How do neighborhoods and neighbors influence individual behavior?
- What have we learned that is policy relevant? What does the research tell us that could lead to policy prescriptions?

In this article, I examine what we have learned in answer to these questions. I look in turn at definitions, paradigms used for analyses, findings, avenues for future policy research, and the question of whether policy prescriptions flow from what we have learned.

Definition of the underclass

The current discussion of the ghetto poor and the underclass started in the early 1980s. The fact that recent debate was initiated by a journalist, Ken Auletta, may account for some of the ambiguity about its definition.³ The "underclass" is certainly related to Karl Marx's "lumpen proletariat," Edward Banfield's "lower class," Michael Harrington's "other America," Oscar Lewis's "culture of poverty," and Elliot Liebow's "Talley's corner."⁴

William Julius Wilson defines the underclass as

that *heterogeneous grouping of families and individuals who are outside the mainstream of the American occupational system*. Included . . . are individuals who lack training and skills and either experience long-term unemployment or are not members of the labor force, individuals who are engaged in street crime and other forms of aberrant behavior, and families that experience long-term spells of poverty and/or welfare dependency.⁵

Wilson has done much of the seminal thinking on this topic. He is at present carrying out a very large study, Urban Family Life (UFL) in Chicago, supported in part by ASPE. The project is probably the most comprehensive effort yet undertaken to study the underclass. It includes a household survey, ethnographic work, and studies of institutions and administrative data.

Wilson is now promoting a definition of the underclass developed by Martha Van Haitsma, who defines the underclass as "those persons who are weakly connected to the formal labor force and whose social context tends to maintain or further weaken this attachment,"⁶ a definition that requires an explanation of the terms "labor force attachment" and "social context." In her conceptual definition of "labor force attachment," Van Haitsma uses a structural concept, stability, or the likelihood that the income will continue, and a normative concept, the social acceptability of the work. She defines "social context" as the household, neighborhood, and social network in which the individual is embedded.

Her definition places a heavy emphasis on low income as a result of low labor force participation and the structural forces that lead to low participation. In effect, she subordinates such behaviors as dropping out of school, teenage childbearing, criminal activity, and welfare dependency to their impact on labor force participation and the income derived from it. Work outside the home is the only outcome valued in her theory. (Work in the home—parenting—is missing from her equation.)

Other scholars, notably Erol Ricketts and Isabel Sawhill, have approached the problem of conceptualizing (or operationalizing Wilson's definition of) the underclass with even less emphasis on poverty. Instead they use a cluster of behaviors (and assumed attitudes) that are considered outside today's middle-class social norms, according to which young people complete high school, delay childbearing until they are able to support their offspring, work or are supported by a spouse, and obey the law.⁷

Poverty is highly associated with the underclass because it is related to the structural and behavioral variables used. Poverty may be temporary or persistent over a person's lifetime or across generations. It is generally accepted, however, that not all the poor are members of the underclass and not all the members of the underclass are poor. Furthermore, the behavioral norms used vary over time and from one social group to another. Out-of-wedlock childbearing is a good example: the incidence has changed dramatically over the last several decades. Births to unmarried women are now commonplace among some groups while remaining outside the social norm for others.

Another way of looking at a particular behavior associated with the underclass at a static point in time, such as out-of-wedlock childbearing, is the probability that it is related to other factors, such as lack of education, unemployment, or low income; and these in turn are related to both individual choices and larger community structural forces.⁸ Unfortunately, our measurement techniques at present are not up to the task of determining primary causes of particular behaviors, so we cannot yet separate those who are part of the structural underclass through no fault of their own (the poor deserving of concern and support) from those whose own actions bring about their categorization (the undeserving

poor). It could be the case that for most members of the underclass, their choices are so limited by structural factors beyond their control—poor parents, poor schools, lack of jobs, no marriageable men, etc.—that for all intents and purposes they have no choices to make. This too begs the point, since not all people born into the same terrible ghetto situations choose underclass behaviors. Trying to place individuals into “deserving” and “undeserving” pigeon-holes, however, is a futile exercise because life is not static; it is a string of situations and choices with varying degrees of freedom and determinism.

The definitions suggest that two broad social science camps are involved in this discussion: structuralists and behavioralists. The structuralists, such as Wilson and Douglas Massey, who tend to be sociologists, have defined the issue in terms of broad societal forces that are causing neighborhoods to deteriorate and leaving their inhabitants minimal opportunities to achieve a reasonable standard of living.⁹ Sometimes they have left it somewhat ambiguous how their theories could be tested empirically.¹⁰

Behavioralists, such as Sawhill, Ricketts, Ronald Mincy, and others, who tend to be economists (although Ricketts is a sociologist), have focused on individuals and categorized them on the basis of groups of behaviors. This work has been descriptive in nature and empirically based for the most part; but the behavioralists have not articulated an overarching theory beyond the standard economic theory of utility maximization under uncertainty and constraints.

Discussion of the underclass is further confused by differences between definitions used for theoretical, journalistic, and rhetorical purposes, and operational definitions used to study the underclass or empirically test hypotheses about it. Generally, the operational definitions have been arbitrary, driven by the available data. For example, although criminal activity and drug use are often associated with the underclass, Ricketts and Sawhill did not use them in their analysis of underclass areas, because there are no measures of these activities in the decennial data sets they used. In addition, their unit of analysis was not an individual but a geographic area—a census tract—where a significantly higher proportion than average of all the factors were present.

Scholars also have differed in their means of measuring the extent to which a neighborhood may be categorized as underclass. Some measure the proportion of individuals in poverty,¹¹ others use a significant deviation from a number of behavior norms in an areal designation such as census tract or a zip code.¹² Still others prefer the boundaries defined by the inhabitants of the neighborhood.¹³

In general, we see that the underclass has been defined in three ways: (1) a geographic concentration of individuals with some characteristic associated with the underclass, such as poverty; (2) common occurrence in a given locale of several forms of behavior associated with the under-

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class—weak labor force attachment, dependency on welfare, teenage pregnancy, dropping out of school, and criminal activity; and (3) the persistence of these behaviors across two or more generations.¹⁴ That is, the underclass is associated with large numbers (or percentages) of people with one or more dysfunctional characteristics living in particular areas, sharing their dysfunctional traits with their parents or having them for an extended period, or having several of the behaviors simultaneously during their lifetime. “Underclass,” however, is no more precise than “middle class,” as in “middle-class values,” or “rich,” as in “soak the rich,” an expression heard during the 1990 tax debates. The underclass appears to be, like beauty, in the eye of the beholder: People do not know how to define it precisely, but think they know it when they see it.

None of the papers examined the trends in the growth of the underclass, but other works have shown that, however defined, the underclass increased from 1970 to 1980, and in 1980 between one and two million people could be characterized as members of the underclass living in underclass areas.¹⁵

How an underclass person or neighborhood is defined, however, dramatically affects estimated prevalence. For example, Table 1, prepared by Hill and O'Neill (paper 3), presents data from the National Longitudinal Survey of Youth (NLSY) showing the percentage of youth who meet several underclass neighborhood or behavioral definitions.¹⁶ The proportion of young men and women of different racial-ethnic categories living in underclass areas varied significantly by the number of variables used and by whether the person was white or not. Approximately 40 to 45 percent of blacks and Hispanics lived in areas of high welfare concentration. For whites it was about 5 percent. The percentages of black, Hispanic, and white youth living in areas of high poverty concentration were about one-half the figures for welfare concentration.

When an operational definition used three or four variables simultaneously to classify an underclass person on the basis of personal behaviors (time out of the labor force, failure to complete high school, and time in jail), or an area, based on *high concentration* of people with underclass characteristics, the figures dropped dramatically, to about 3 percent for blacks. For Hispanics the proportions were slightly higher in areal concentrations (about 4 percent), and lower for personal outcomes (about 1 percent). The percentages

were lower yet for whites (1 percent or less), using areal or personal outcomes. These data show that no matter how you define the underclass (by area or behavior), on average, many underclass people are living next door to neighbors who cannot be so categorized, and the more traits used simultaneously to define members of the underclass, the rarer they become. These data also show the very different experiences of whites, blacks, and Hispanics. Whites have a lower prevalence of underclass behaviors and are much less likely to live in underclass areas.

Conference discussion

Lack of agreement of definitions of the underclass, failure to operationalize theoretical statements, and differing perspectives have led to significant communication problems within the scholarly community and between the research and public policy communities. The conference gave ample evidence of these problems from the opening remarks through and including the wrap-up. Martin Gerry, the Assistant Secretary for Planning and Evaluation, during his introductory remarks addressed two concerns: blaming the victim and statistical discrimination.

Table 1
Prevalence of Underclass Status among Youth in the NLSY
Living with Their Families and in SMSAs in 1979

Underclass Definition	Men			Women		
	Black	Hispanic	White	Black	Hispanic	White
<i>Zip code characteristics</i>						
% in areas with a high concentration of ^a						
Welfare families	47.0%	44.2%	5.2%	45.6%	37.5%	5.4%
Families in poverty	29.6	25.7	1.7	28.7	20.4	2.9
Ricketts-Sawhill characteristics	3.7	4.5	0.7	2.5	4.2	1.5
<i>Personal outcomes</i>						
% men with						
A high proportion of low-work years ^b	26.0	16.1	7.8			
And a high school dropout	9.9	7.2	2.2			
And a high school dropout and ever in jail	3.5	0.9	0.6			
% women with						
A high proportion of years with low work and welfare receipt ^c				20.5	10.0	2.7
And high school dropout				5.7	3.3	1.2
And high school dropout and teen mother				2.9	1.5	0.6

Source: M. Anne Hill and June O'Neill, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants," City University of New York, March 1990. (Paper 3.)

^a These areas are neighborhoods scoring a standard deviation above the weighted mean in the characteristic indicated. The Ricketts-Sawhill measure counts an area as underclass if it scores high on the incidence of welfare families, female household heads, high school dropouts, and men out of the labor force (see Erol Ricketts and Isabel Sawhill, "Defining and Measuring the Underclass," *Journal of Policy Analysis and Management*, 7 [Winter 1988], 316-325).

^b "Low-work years" refers to youth who worked fewer than 26 weeks per year for more than 42.4 percent of potential years since age 19, when they were not enrolled in school, not in the army, and not in jail.

^c "Low work and welfare receipt" refers to women who received welfare for more than two months and worked fewer than 26 weeks for more than 19.8 percent of potential years since age 19.

I come to today's discussion with an open mind, tempered of course by my own experience, but concerned about the growing tendency to use the concept of the underclass to "pathologize" individuals and families in poverty. While there may be important insights gained from projecting characteristics onto a group based on aggregate data, it is equally important to recognize the wide variety of individual patterns related to such characteristics.

"Blaming the victim" suggests that people use "underclass" to label groups of people pejoratively on the basis of dysfunctional behavior over which the people so labeled have no control. "Statistical discrimination" occurs when one assumes that the underclass is very homogeneous and quite distinct from the nonunderclass. Individuals are then classified as belonging to the underclass on the basis of a small number of characteristics, on their address, or their appearance.¹⁷ Kathryn Neckerman and Joleen Kirschenman report an example of this problem when employers stereotype particular applicants for jobs on the basis of assumed group behavior.¹⁸ The fuzzy nature of the underclass concept may contribute to both blaming the victim and statistical discrimination.

Herbert Gans expressed these same concerns while participating in the conference, as well as in several papers.¹⁹

Wilson recently discussed concerns about "blaming the victim." He devoted a substantial portion of his presidential address at the 1990 annual meeting of the American Sociological Association to responding to Gans. He cautioned against a situation similar to the period after the *Moynihan Report* on the black family was published in the middle 1960s, when some scholars shied away from poverty research to protect themselves from charges of racism.²⁰

Summing up the conference, Christopher Jencks addressed the lack of definitional clarity. He expressed the opinion that the concept of underclass, like class, is useful in some situations and not others. It is useful in lunchroom discussions. It gives one a sense of ordering individuals or families along some composite measure that has to do with financial, human, social, and cultural capital. When it comes to empirically testing hypotheses, we must be precise in our definitions. Disagreements about operationalizing variables for empirical work should not be seen as damaging the value of the theoretical formulations. Fuzziness is not necessarily harmful; it depends on the situation and the alternatives.

Jencks also reiterated a caveat that has motivated his writings in this area: we should not talk about the various underclass behaviors as if they all have the same causes and consequences. "Nobody really believes that the process of getting pregnant is the same as the process of mugging somebody."²¹ Furthermore, these phenomena call for very different policy prescriptions.

On the positive side, however, Jencks also pointed out that study of the underclass is bringing together scholars who have tended to compartmentalize themselves into their own little cottage industries, carrying out research about single dependent variables associated with only one of the patterns of behavior used to discuss the underclass—e.g., welfare dependency, weak labor force attachment, crime. Research on the underclass has encouraged people to look at interactions of these behaviors and whether their effects are even more pronounced when geographic concentration is incorporated into the analysis.

What have we learned from this line of research on the underclass?

Short abstracts of the ten conference papers are presented in the accompanying box. This section attempts to synthesize hypotheses which seem to emerge from these ten papers and the conference discussion. It is organized around the primary themes used to define the underclass: neighborhood concentration of people with underclass behaviors, persistence of an underclass behavior, and specific patterns of behavior.

Neighborhood concentration of underclass members

Does "neighborhood" and/or "concentration" add to our understanding? How might concentration of those with underclass characteristics (however defined) come about? Is it related to in-migration of underclass individuals or out-migration of the nonunderclass? Does level of concentration affect behavior, values, attitudes, or preferences of the residents in the neighborhood? If so, how? Are individual racial-ethnic groups affected differently? Does a neighborhood just gradually get worse as the percentage of residents with underclass behaviors increases; or does it suddenly get significantly worse when the percentage or number of underclass residents reaches a critical mass?

Three of the theoretical papers deal with these issues. All three are written from the behaviorist perspective.

Jorge Martinez-Vazquez and Rubin Saposnik (paper 9) hypothesize that when income opportunities can come from both conventional (legal) and unconventional sources, when utility is a function of real income and psychic income related to one's social standing with others, and when the price to the individual of conventional or unconventional behavior is inversely related to the local concentration of that sort of behavior—then, underclass behavior, however defined, is more attractive the higher the concentration of underclass individuals in the neighborhood.

Regarding criminal behavior, if police resources are relatively fixed and the probability of being apprehended decreases with the number of criminals operating in a

(Text continued on p. 9)

Conference Papers

1990 ASPE-JCPES Conference on the Underclass

To obtain copies of these papers, contact the authors or the Policy Information Center, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, (202) 245-6445.

Empirical studies

1. Mary Corcoran, Roger Gordon, Deborah Laren, and Gary Solon, "Effects of Family and Community Background on Men's Economic Status," University of Michigan, February 1989. (This is the paper that was delivered at the conference.)

This study uses intergenerational data from the Panel Study of Income Dynamics (PSID) to investigate the effects of family and community background on men's economic status. It is distinguished from most previous studies by its emphasis on a comprehensive set of community influences and on influences from poverty and welfare use. It finds substantial disadvantages in economic status for black men, men from lower-income families, and men from welfare-dependent families or communities. Otherwise, not much evidence of community influences is found. The lack of results may be due to the grossness of the geographic measures of community variables.

Mary Corcoran, "Problems of the Underclass: Underclass Neighborhoods and Intergenerational Poverty and Dependency," University of Michigan. (This paper was commissioned but will not be available until the fall of 1991.)

This project examines how community disadvantages hinder children's future economic prospects. It uses data from the PSID augmented with data on neighborhood characteristics measured at the census-tract level. It investigates eight family and neighborhood factors (education, labor supply, timing of marriage, timing of fertility, marital instability, welfare dependence, number of children, and socioeconomic structure of the community in which the young adult lived after leaving home) that affect young adults' economic outcomes. A sorting model, an incremental model, and an epidemic model, all of which illustrate the causes and consequences of increases in concentrations of poverty and other social ills, are examined.

2. Peter Gottschalk, "Is Intergenerational Correlation in Welfare Participation across Generations Spurious?" Boston College, November 1990.

Gottschalk focuses on the perceived relationship in welfare status between mothers and daughters. A presumption exists that the propensity for a daughter to receive

welfare reflects tastes for welfare passed on from generation to generation. Three questions are addressed: (1) How large is the correlation between mother's and daughter's welfare experience? (2) Does the relationship reflect similar constraints or similar tastes? (3) Does evidence exist to show that this correlation reflects a causal relationship; does the act of accepting welfare alter the tastes that are transmitted to the next generation? The PSID is used to generate descriptive tables and to estimate the model. The analysis confirms an intergenerational relationship between welfare use of mothers and daughters. It leaves unanswered the reason for the association. Is the daughter's behavior an effect of the mother's attitudes and actions, or is there a correlation with other variables that both share which have not been studied, or are there other explanations?

3. M. Anne Hill and June O'Neill, "Underclass Behaviors in the United States: Measurement and Analysis of Determinants," City University of New York, March 1990.

This project develops measures of the incidence of underclass behaviors among a sample population and applies various multidimensional indices of underclass status in classifying individuals. It measures how this incidence varies by race, ethnicity, geographic area, and whether the individual came from an underclass background. The study uses data from the Youth Cohort of the National Longitudinal Survey of Youth (NLSY) and matches it with census zip code file data. It attempts to identify the important specific determinants of underclass status, whether defined by residence in a neighborhood with a high concentration of individuals with certain characteristics or by classifying individuals with a cluster of certain behaviors. It examines several broad categories of explanatory variables in relation to many kinds of underclass behaviors: weak labor force attachment, welfare dependence, out-of-wedlock childbearing, criminal involvement, and low educational attainment. Among various speculations about the important determinants of underclass behavior, two are tested: the Wilson hypothesis and the Murray hypothesis. William Julius Wilson proposes that lack of labor market opportunities is responsible for low rates of labor force attachment among minority men. Charles Murray proposes

Conference Papers, Cont.

that the availability of welfare benefits is the dominant factor responsible for low rates of labor force attachment among minority men.

4. Shelly Lundberg and Robert Plotnick, "Testing the Opportunity Cost Hypothesis of Teenage Out-of-Wedlock Childbearing," University of Washington, 1990.

This study addresses the causes and consequences of premarital childbearing among adolescents. The report estimates the effect of early childbearing on adult wages, both within and outside of marriage, relative to remaining childless as a teenager. It also estimates the effects of teenage fertility and marital outcomes on earnings. Several measures of welfare benefits are developed, which affect the net income losses associated with premarital childbearing. In addition, various indices of the costs and availability of abortion and family planning services are developed. The primary data base used for the study is the NLSY. Welfare policy, abortion, and family planning variables are gathered from published sources and appended to the NLSY records. Because race and ethnic differences in rates of premarital childbearing are large and of interest, separate analyses are conducted for whites, blacks, and Hispanics. Alternative fertility and marriage choices during teen years are found to affect future wages and marriage probabilities: (1) For a white female adolescent, having a child as a teenager reduces long-term potential earnings by 10 percent to 15 percent. (2) For a black female adolescent, having a child as a teenager, whether premaritally or postmaritally, tends to increase potential earnings by 10 percent to 30 percent. The estimates for Hispanics are unstable, possibly as a consequence of the small sample sizes in the early childbearing groups, and could not be verified by this analysis. The study finds mixed results as to whether potential opportunity costs influence teen fertility choices.

5. Mercer L. Sullivan, "Patterns of AFDC Use in a Comparative Ethnographic Study of Young Fathers and Their Children in Three Low-Income Neighborhoods," Vera Institute, June 1990.

This study examines the relationships between minority status, concentrated poverty, abortion and marriage decisions, out-of-wedlock childbearing, and enrollment in AFDC. Young fathers were interviewed in three predominantly white, Latino, and black low-income neighborhoods in Brooklyn, New York. Data from the 1980 census were examined; and abortion and birth records were analyzed of teenage females living in these areas

from 1985 to 1987. Whites are found to be most likely to choose abortions, followed closely by blacks. Latinos are far less likely to choose abortion. Nearly three-fourths of Medicaid recipients choose not to have abortions, while more than three-fourths of those not receiving Medicaid choose abortion. In response to teenage pregnancy, most of the fathers in the predominantly white and Latino communities marry after the pregnancy is discovered but before the child's birth. The black community chooses not to marry. Latinos and blacks are less likely to marry than whites, and blacks are less likely to marry than Latinos. AFDC levels are about 50 percent for the two minority neighborhoods and 10 percent for the white neighborhood. The study concludes that (1) the white neighborhood's low rates of AFDC enrollment are due to the young fathers' abilities to find jobs and apartments for their families; (2) the lack of marriage in the black community allows fathers to supplement the AFDC payments to their families, but these arrangements tend to be highly unstable; (3) the need for AFDC in the Latino community relates to high levels of poverty and lack of access to employment but conflicts with cultural emphasis on marriage and legal paternity, which makes AFDC eligibility more difficult.

6. Mark Testa and Marilyn Krogh, "Nonmarital Parenthood, Male Joblessness and AFDC Participation in Inner-City Chicago," University of Chicago, 1990.

This report uses data from the 1987 Urban Family Life project directed by William Julius Wilson to study nonmarital parenthood by examining initial marital, parental, and welfare transitions of people ages 18 to 44 in inner-city Chicago. Findings include the following: The risks of becoming a parent are the same for stably employed and chronically unemployed black males, but black women's work status and school status strongly affect their risks of becoming premaritally pregnant. Black men who are stably employed are twice as likely to marry as black men who are not in school, not in the military, and not at work. The decline in marriage among inner-city blacks is not due simply to increases in the proportion of black males who are jobless; rather, it is concentrated among the chronically jobless. Racial differences in male employment status, however, cannot account for the racial differences in postconception marriage rates in inner-city Chicago. Finally, mothers who are married at the birth of their first child are significantly less likely to receive AFDC than mothers who are unmarried, but these effects even out when marital dissolutions that occur after the child's birth are taken into account.

Conference Papers, Cont.

Theoretical studies

7. William A. Darity, Jr., Samuel L. Myers, Jr., William J. Sobol, and Emmett Carson, "How Useful Is the Black Underclass? Critical Essays on Social Science and Methodology," University of Maryland, November 1990.

Literature reviews and economic analyses are used to examine (1) structural versus behavioral explanations for the growth of the underclass; (2) deviant behavior and crime; (3) historical considerations of family instability among blacks; (4) the effects of welfare and criminal violence on female-headed families; (5) the role of courts in shaping the family structure of black families in America; and (6) the usefulness of the underclass concept for public policymaking. The study finds that behaviorally based notions of the black underclass are not useful in understanding family instability and crime; racial classifications may be more appropriate for understanding specific aspects of underclass behavior. Central to an understanding of the rise in female-headed families and the escalation of violent crime among blacks are the diminishing value of black labor and the marginalization of blacks located at the bottom of society. The unwantedness of blacks at the bottom of the ladder manifests itself in declining labor force participation, increasing criminal violence, withdrawal from the productive spheres of life, reductions in the supply of marriageable males, and increases in female headship.

8. Scott Freeman, Jeffrey Grogger, and Jon Sonstelie, "The Concentration of Crime and Underclass Neighborhoods," University of California, Santa Barbara, January 1990.

This study addresses reasons why crime concentrates in certain neighborhoods even though adjacent neighborhoods may be crime free; and why crime concentrates in poor neighborhoods rather than in wealthy areas where potential rewards would appear greater. Attention is given to the way the choices of individuals to work or engage in crime give rise to underclass areas. The report examines a model of the distribution of crime between two hypothetical communities with originally identical populations, given fixed police expenditures. The model offers an explanation for the rapid deterioration of some neighborhoods. It demonstrates how the recessions of the 1970s (which lowered wages) and crack cocaine trade in the 1980s (which increased the returns to crime) may have greatly accelerated the development of underclass areas. Differing assumptions are applied to the model to encompass many circumstances.

9. Jorge Martinez-Vazquez and Rubin Saposnik, "A Contagion Model of Underclass Neighborhoods," Georgia State University, 1990.

This research investigates theories regarding the infectious aspects of underclass neighborhoods. The paper presents a basic behavioral model and both analytical and simulation solutions for the growth of the underclass in a single neighborhood. The model illustrates how areas can become underclass neighborhoods and how underclass behavior may affect all individuals in the neighborhood. The paper also attempts to show how the growth of the underclass depends on underlying socioeconomic parameters; and it analyzes the impact of migration on the concentration of the underclass in particular neighborhoods. (This study also includes an extensive review of the underclass literature, authored by David L. Sjoquist.)

10. Douglas A. Wolf, Rebecca Clark, and Vicki Freedman, "Modeling the Growth of the Underclass: Neighborhood Effects and Neighborhood Dynamics," Urban Institute, May 1990.

This study examines how a person's neighborhood influences his/her decisions. Models of underclass behavior are formulated. The behavior includes crime, welfare dependency, joblessness, teenage pregnancy, child abuse, and other dysfunctional activities. A review of the literature on the topic reveals that research has made little progress in specifying how neighborhood effects operate. The decision to drop out of high school is then used to propose three mechanisms through which a person's neighborhood shapes his/her decisions:

1. The informational model. Observation of the actions taken by others, and of the consequences of those actions, leads to the formation of expectations regarding the consequences of one's own actions.
2. The preference formation model. The more prevalent nonnormative behavior is in one's immediate social setting, the higher a person ranks such behavior in his own preference structure.
3. Rewards and sanctions model. One's taste for alternate behaviors is not influenced by the actions of others, but one's costs and benefits of taking those actions are.

The study finds the strongest support for the first model. It also points out that if neighborhoods affect people's decisions, then people's decisions help define the context in which the decisions of others are made.

(Continued from p. 5)

neighborhood, then Scott Freeman, Jeffrey Grogger, and Jon Sonstelie (paper 8) hypothesize that (1) crime will concentrate in poor neighborhoods; (2) victims and perpetrators will both generally be poor; and (3) noncriminal residents of those neighborhoods will be less likely to work and invest in education than their counterparts in other neighborhoods. Furthermore, they predict that if neighborhoods that have been segregated by race-ethnicity (which is not correlated with ability) are opened up through a reduction in discriminatory housing practices, then higher-ability/higher-income residents will tend to move out, even after paying rent premiums for crime-free areas. In addition, their model predicts that when housing stock is variable, the differential between rents in crime-ridden and crime-free areas will lead to a decline in housing stock in the crime-ridden areas. Harry Holzer, one of the discussants, questioned the hypotheses and concluded that the relative magnitude of these effects would be minor compared to other factors.²²

Douglas A. Wolf, Rebecca Clark, and Vicki Freedman (paper 10) discuss the mechanisms that might operate if concentrated behavior is more influential on individuals than dispersed behavior. They present three possibilities: an information model whereby observation of others' actions and resulting consequences influences one's own expectations; preference formation, which is an imitative, adaptive evolution of tastes based on the prevalence of peer behavior in one's immediate social setting; and a rewards and sanctions model, where the personal costs and benefits of one's actions are influenced by the behavior of others—e.g., peer pressure. They mention that in measuring these influences, researchers must be cognizant of whether their variables measure influences close to the individual's home—neighborhood or peers—or more global influences—metropolitan or larger geographic forces. They also point out that if neighborhoods affect people's behavior, then there is a reciprocity such that one's behavior exerts an influence on others. They conclude that these are important, testable formulations for future rational choice models though they have not performed empirical verification.²³

Their paper also links their theoretical formulation to the work of Charles F. Manski and Peter A. Streufert.²⁴ If the underclass consists of those who remain in a neighborhood when others migrate out, this selection process may lead those who remain to have a negative bias in their perception of opportunities for success. The underclass, as a result of selective out-migration, may underestimate the opportunities for and rewards to more middle-class behavior.

The empirical work of M. Anne Hill and June O'Neill (paper 3) bridges the work of structuralists and behaviorists. In addition, it uses both spatial concentration and clusters of behaviors to analyze the underclass. A number of explanatory variables are explored in their analyses—individual, family, neighborhood, city, and state. When

they use multivariate analysis to look at differences in outcomes for youths living in and outside areas with high concentrations of welfare families (at least one standard deviation above the national mean for zip codes), they find that living in areas with welfare concentration is significantly related to little work experience, poor achievement scores, and highest grade completed for white men, but not black men. Welfare concentration is found not to be related to other dependent variables for the men, such as school dropout, having been in jail, drug use, or having fathered a child out of wedlock. For the young black women (but not young white women), living in a high welfare area is significantly related to out-of-wedlock first births, high school dropout, having received Aid to Families with Dependent Children (AFDC), and a large proportion of years during which they worked little and were heavily dependent on AFDC.

Mary Corcoran, Roger Gordon, Deborah Laren, and Gary Solon (paper 1) also look at the influence of family use of welfare and neighborhood concentration of welfare families on young men's economic status—hours worked and wage rates. They report that their impression is that after controlling for other family and community characteristics, the presence of either family welfare receipt or high community welfare participation rates is associated with negative economic status variables for young men—lower wage rates and incomes. Other community variables (median income, male unemployment rate, and percentage of families that are female headed with children) generally show negligible associations with the wage rates, hours worked, and income of the young men. In this work, Corcoran and her colleagues use fairly gross spatial measures, which are now being refined. Further, they acknowledge that unavoidable measurement error and omitted variables make it impossible to determine from this research whether there are welfare "effects."

None of the empirical papers addresses the issues of racial concentration in ghetto areas or the disadvantage that minorities may suffer from spatial mismatch, as jobs move to the suburbs, or the skill mismatch caused by the shift from manufacturing to service industries. William A. Darity, Jr., Samuel L. Myers, Jr., William J. Sobol, and Emmett Carson (paper 7) along with Wilson; Massey, Eggers, and Denton; Kasarda; and others believe that racial factors contribute greatly to the development of the underclass.²⁵

New Institute Director

Robert M. Hauser, Vilas Professor of Sociology at the University of Wisconsin-Madison, became Director of the Institute for Research on Poverty, July 1, 1991.

It appears that at least one type of neighborhood concentration, people on welfare, is related to a higher prevalence of other underclass behaviors. But in the results so far, there does not seem to be a consistent pattern in this relationship across racial groups and for both sexes. Furthermore, the empirical studies reported here do not tell us whether the relationships are associational or causal. Although the theoretical work of Wolf and his associates (paper 10) provides three or four possibilities (e.g., explanations of how neighborhood concentration of some characteristics might influence an individual's attitudes, preferences, or behaviors), the empirical work tells us very little about the mechanism that brings about the changes.

Persistence of underclass characteristics

Peter Gottschalk (paper 2) addresses intergenerational transmission of welfare dependency. He confirms earlier work that showed that the grown-up children of welfare mothers are more likely to be on welfare than the children of nonwelfare mothers. He worries, however, that earlier works have not distinguished two possible causes of this intergenerational transmission: the mother and daughter share some other characteristics (for example, living in the same neighborhood) which have an influence on their joint receipt, or the mother's attitudes and behavior affect the daughter's behavior.

Obviously, there are policy implications to be drawn from the conclusion reached. If the fact that a woman receives welfare increases the likelihood that her daughter will become dependent on welfare, then greater attention should be paid to changing the mother's status than would be the case if some other variable, such as the neighborhood, was causing this intergenerational relationship. If some other factor causes the correlation, however, then working with the mother may not affect the behavior of the child. Even if the association is confirmed between mother's welfare dependence and subsequent dependence of her child, Gottschalk points out that we must learn by what means dependence is established. The mechanisms discussed by Wolf and his colleagues come to mind: information sharing; adaptive imitation, which could include lower self-esteem and ambition; or peer pressure.²⁶

Hill and O'Neill (paper 3) also find persistence in welfare receipt across generations. For example, in descriptive terms, white young women in the NLSY from welfare families have a 24 percent chance of ever being on welfare; from a nonwelfare family the probability is 2 percent. Comparable figures for blacks are 42 percent and 15 percent; for Hispanics, 34 percent and 8 percent. Furthermore, receipt of welfare is found to be significantly associated with bad outcomes—dropping out of school, going to jail, increased proportion of years with little work, and childbearing out of wedlock—for both black and white young women.

For several variables unrelated to welfare, Hill and O'Neill also report intergenerational persistence. They find that

women whose mothers had more education have higher scores on the Armed Forces Qualifications Test (AFQT), more years of schooling, and are less likely to be high school dropouts. These findings are strongest for whites and blacks. For Hispanics, an increase in mothers' education is associated only with the higher AFQT scores.

Corcoran and her coauthors in their study of men's earnings (paper 1) state, "One of our strongest results is the large negative association between son's outcomes and welfare receipt in his family of origin."²⁷ This is not quite analogous to persistence for women, but it is close.

Mark Testa and Marilyn Krogh also do not directly address welfare persistence in their analysis of nonmarital parenthood, male joblessness, and AFDC participation in inner-city Chicago (paper 6). However, in computing the relative risks of first AFDC receipt, they look at whether the subject's family received welfare when she was a child. In general, they find that, for various racial-ethnic groups, the likelihood of a daughter participating in AFDC is higher, *but not significantly so*, if the family was on welfare when she was a child.²⁸

Shelly Lundberg and Robert Plotnick deal with the opportunity costs of teenage childbearing (paper 4). They also estimate the likelihood of several marital and fertility options for a female aged 19 as a function of a number of variables, including the marital status of her mother when the daughter was 14. In addition, they predict the probability of a woman being married at age 28, given her marital-fertility status at age 19, as a function of a number of variables, again including the marital status of her mother when the daughter was 14.²⁹ The probability of the daughter being married at age 28, regardless of marital-fertility status at age 19, is generally related to mother's marital status when the daughter was 14. Black and white daughters of single mothers are less likely to be married than daughters of married couples.

A new paper by Anne C. Case and Lawrence F. Katz, "The Company You Keep,"³⁰ is germane to this discussion. It presents hypotheses which link neighborhood concentration of various behaviors and intergenerational persistence in a way that seems consistent with the approach used in the conference papers. Case and Katz discuss how both family and neighborhood (measured primarily in terms of peers and local adult role models) affect behavior and outcomes of disadvantaged youths in Boston. Using the Boston Youth Survey of 1989, carried out by the National Bureau of Economic Research (NBER), the researchers look at three neighborhoods—South Boston, Dorchester, and Roxbury. They conclude that "different family background variables have quite distinct relations with the different measures of socioeconomic outcomes for the youths in the sample. In particular, family background variables appear to be most strongly related to similar variables for youths and usually not significantly related to other outcome variables when directly related family background variables are

included in the specification. In other words, youths who had family members in jail when they were being raised are much more likely to be involved in criminal activity; those with family members with drug problems are more likely to use drugs; those with teenage mothers and parents who were not married are substantially more likely to have children out of wedlock; and those with more-educated parents get more schooling.”³¹ The impact of family background variables appears more complex than simply stating that “good” families have “good” kids and “bad” families have “bad” kids. They look at behaviors such as crime, illegal drug use, out-of-wedlock childbearing, idleness, school completion, and church attendance. After controlling for family background, they find that neighborhood peers with a high prevalence of a particular behavior appear to influence youth behavior of the same variety, but neighborhood adults have less influence. They conclude that their results are consistent with Wilson’s emphasis on black working-class and middle-class role models, but find that the influences on youth are channeled through the actions of their peers.

Hill and O’Neill (paper 3) seem to verify persistence in analogous behavior from one generation to the next. They use a number of control variables for both young men and women concerning their parents (e.g., family structure and schooling for males, and family structure, welfare receipt, and schooling for females). I looked at their significance tests and found that for blacks, Hispanics, and whites, both male and female, relationships were much more likely to be significant for “like-variables”—about two-thirds of the time—than for closely linked “similar” variables, such as when the mother headed a single-parent family and the daughter used welfare. These were significant three-fifths of the time. Relationships between “unlike variables” (e.g., mother’s schooling and daughter’s use of welfare) were significant only about 15 percent of the time. On the other hand, when I looked at all the significant results (about one-quarter of the cases), they were about equally divided among the three comparisons of behavior: like, similar, and unlike.

David Sjoquist, in his review of the underclass literature in the paper by Martinez-Vazquez and Saposnik (paper 9), uses a different measure of persistence: not persistence from one generation to the next but length of time or percentage of available time that the subject exhibits the behavior in question. He concludes that “although the underclass may be persistently poor, the persistently poor are not necessarily members of the underclass.”³²

This research on both neighborhood concentration and persistence of underclass characteristics seems to be consistent with an ecological human development perspective. Neighborhood influences operate in ever widening circles from the local to the global. People are most influenced by family, close friends, and peers, other neighbors and adults, and various community institutions and societal forces, in that order. Furthermore, the behavior of one person seems to be

linked to “like behavior” in those associated with that person. The three mechanisms discussed by Wolf, Clark, and Freedman—information, adaptive imitation, and peer pressure—may all operate to influence people’s (ir)rational choices. As yet we do not know which mechanism, if any, is more influential. These factors may have more influence on youth than on adults. Underclass neighborhoods may be formed by selective out-migration of the most able. Those left may be least able, and they may undervalue their (limited) opportunities because they cannot assess what can be obtained through traditional behavior.

Because most of the conference papers were written from a behaviorist perspective, sufficient weight has not been given to the structuralists’ view of the importance of structural forces (e.g., the availability of education and jobs) or their concerns about the changing pattern of the industrial sector.

Patterns of simultaneous underclass behaviors

Although numerous behaviors are associated with the underclass, single-parent families, nonmarital childbearing, and welfare use are the only set of behaviors addressed by a significant set of the papers. Lundberg and Plotnick; Testa and Krogh; Sullivan; Hill and O’Neill; Gottschalk; and Darity and his coauthors all discuss various aspects of the fertility-marriage-welfare behavior complex. Only this constellation of behaviors will be covered in this synthesis.

Nonmarital births are highly associated with AFDC receipt, long-term welfare dependency, and persistent poverty. Although at any point in time only 10 to 20 percent of AFDC recipients are teen parents, about one-half of the recipients had a child when they were in their teens. (One does not have to look at single parenting as a moral issue or dysfunctional behavior, although many people do. Marriage is apparently one of the most powerful poverty fighters, although I know of no research that shows how government can literally influence individuals to marry one another in order to combine resources to reduce poverty and welfare dependence.)

The number of births to teenagers declined from 570,000 in 1977 to 470,000 in 1987, primarily because of the decline in the number of teenagers. The birthrates declined only slightly, from 52.8 to 51.1 per thousand young women aged 15–19. The abortion rate increased during the mid-1970s but has remained at about 40 per thousand young women since then. About 60 percent of pregnancies end in births. Births outside marriage have risen from 30 percent of all births in 1970 to 49 percent (1980) to 64 percent (1987). Although it appeared for a while that sexual activity among teenagers had leveled off in the 1980s, recent data indicate that it has continued to increase.³³

When we look at welfare receipt in the underclass context, we see (in Table 1) that nearly one-half of the black NLSY women, 38 percent of the Hispanic women, and 5 percent

of the white women live in areas of high concentration of welfare families. Twenty-one percent of the black women, 10 percent of the Hispanic women, and 3 percent of the white women spend a high proportion of their lives between ages 19 and 27 on welfare. However, only 3 percent of the black women, 1.5 percent of the Hispanic women, and 0.6 percent of the white women are high school dropouts, unwed teen mothers, and long-term welfare recipients.

All the researchers find significant behavioral differences among women of different race-ethnicity groups, even after controlling for class. Blacks have higher rates of pregnancy, nonmarital births, and single parenting. Hispanics are somewhere between blacks and non-Hispanic whites. Testa and Krogh find in Chicago that Mexican Americans tend to have rates more like whites, and Puerto Ricans, more like blacks. (None of the other studies created subgroups among Hispanics, and their results in their Hispanic analyses often were not significant. A distinction between Hispanic groups might help these analyses.)³⁴

Looking at this set of outcomes from a rational choice perspective, one can examine the various branches of the decision tree: sexual activity, contraception, pregnancy, abortion, birth, marriage. Mercer Sullivan (paper 5) finds that poor whites, blacks, and Hispanics in New York City have quite different patterns. The poor are less likely than the nonpoor to carry a child to term and less likely to legitimate births through marriage. Poor Hispanics are less likely than non-Hispanics to use abortion and more likely than blacks to get married. Lundberg and Plotnick find in their national sample of youth that whites appear to act in a manner most consistent with the rational opportunity-cost model often posited by economists. They tend to be more sensitive to incentives and costs than blacks or Hispanics. Those whites who live in states with higher welfare benefits tend to carry their babies to term and not legitimate them. They are less likely to use family planning and abortion in states with laws restricting birth control and abortion. However, although being a single parent as a teen does have negative consequences for white women in terms of lower wage and marriage rates when they are in their late twenties, these prospective opportunity costs do not seem to influence their childbearing behavior. Lundberg and Plotnick do not use family income in their equations, so their results cannot be directly compared with Sullivan's New York City data. They do find, however, that both whites and blacks whose mothers had higher levels of education are significantly more likely to terminate pregnancies with abortion.

Hill and O'Neill do not look at the decisions leading up to having out-of-wedlock children. Using the same NLSY data base but a different type of analysis, they confirm the Lundberg-Plotnick findings, however, that whites, but not blacks or Hispanics, are more likely to have out-of-wedlock births if they live in states with higher AFDC and Food Stamp benefits. Unlike Sullivan, they do not find that fam-

ily income, controlling for other factors, has an influence on whether there is an out-of-wedlock birth. However, for blacks, coming from a single-parent family or living in areas with high welfare benefits has a significant effect even after controlling for other factors. For whites, coming from a single-parent family or a welfare family or having a mother with lower education is associated with higher levels of out-of-wedlock births.

Testa and Krogh find that age-specific unemployment rates for black males living in Chicago seem to be unrelated to nonmarital parenthood but associated with the decline in black marriage rates—the marriage rates for black unemployed men declined much more over time than marriage rates for employed men.³⁵ (They point out that this finding supports the Wilson hypothesis—that it is lack of jobs which has caused the decline in black marriage rates—and contradicts the Charles Murray hypothesis—that generous welfare benefits serve as a disincentive for young, employed males to marry the mothers of their children. On the other hand, the Hill-O'Neill and Lundberg-Plotnick findings related to welfare payment levels support Murray, at least as far as white women are concerned.) Testa and Krogh report, however, that the decline in black male employment is still insufficient to explain the even steeper decline in black marriage rates. Nor can they explain the significant racial differences. Like Sullivan, they find higher rates of legitimization for Mexican Americans and non-Hispanic whites than for blacks. But they also find that black women who are in school or employed are less likely than those who are not so engaged to bear a child.

Darity and his coauthors (paper 7) posit a somewhat different structural conceptualization of the rise in black female-headed families from that of Wilson, although they and Wilson both attribute the declining black two-parent family to the decline in marriageable black males. They focus on the decline in marriageable males due to imprisonment, murder, suicide, drugs, and unemployment. They measure the effects on family structure of welfare rates and ratios of marriageable men to women. They find, as have others, a positive association between welfare use and welfare levels (welfare use grows with increases in benefits), an association that is higher for blacks than for whites. They point out, however, that since real welfare benefits declined over the period of their analyses—1976 to 1985—increased benefits cannot explain the increase in single parenting. They also find that family structure is related to the ratio of marriageable males to unmarried females. Whereas Wilson sees the decline in marriageable black males as resulting from spatial and skills mismatches between jobs and black males, Darity and his coworkers attribute the decline to discrimination against black males.

They conclude that while class matters, race matters also. They assert that when conventional empirical modeling finds a race effect, scholars tend to attribute it to different choices available in response to racially differentiated opportunities, incentives, and disincentives. They believe that

the race variable reflects more than individual choices, however; it represents historical structural forces—group differences—related to a history of discriminatory laws and practices. In conclusion, Darity and his colleagues reluctantly assert: “Central to an understanding of the rise in female-headed families and the escalation of violent crime among blacks in America is the diminishing usefulness of black labor and the resulting marginalization of blacks at the bottom of society.”³⁶

Generalizations about simultaneous underclass behaviors are very difficult to discern from these studies. This is due, to a great extent, to the large number of independent and dependent variables examined, which in turn reflect both the complexity of the problem and the researchers’ disciplinary training. Difficulty in synthesizing results increases geometrically when one starts trying to connect multiple dysfunctional behaviors, like not completing high school, drug use, crime, low employment rates, etc. We need a systematic way to tally the results.

Nevertheless, it seems apparent from these studies that race does make a difference, which cannot be accounted for by controlling for a number of other economic, social, and community variables. It also appears that there may be intergenerational persistence of like behaviors: daughters of single or welfare parents are more likely than daughters from other types of families to be single and on welfare. Unfortunately, these two conclusions, like much of this research, tell us little if anything about why this is the case and what government policy might do to alter underclass behaviors or reduce the number or size of neighborhoods with large numbers of underclass people.

Avenues for future policy research

The role of ASPE and other government agencies

What does this research tell policymakers, if anything, about what government can do to ameliorate problems associated with the underclass?

Daniel Patrick Moynihan said in 1969 that “the role of social science lies not in the formulation of social policy, but in the measurement of its results.”³⁷ Robert Haveman recently made the distinction between two types of social research: (1) objective social science research and (2) more normative policy analysis and evaluation research. He stated that

Traditionally, research in the social science disciplines has been “positive” in its orientation. That is, basic social science research has sought to understand the world of human and social behavior. The question posed is, What is the nature of social behavior, and can those factors which influence and determine it be identified and their impact measured? This approach emphasizes the positive issue of understanding what is; little attention is given to establishing norms for what should be, or

how to attain these norms if they are accepted. The process of social research thus involves model building, hypothesis formulation and testing, and general application of the scientific method. These traditional methods are well known and widely discussed. Policy analysis and evaluation research are akin to them, yet quite different.

The key characteristic of policy analysis and evaluation research is a focus on the activities of the public sector and their impact on the larger society. Policy analysis and evaluation research respond to a conscious effort by government to change behavior or performance by means of public policy; they involve the examination and measurement of the impact of that policy on human well-being, behavior, and performance. While the goal of standard social science research is to advance the discipline, the primary goal of policy analysis and evaluation research is to provide information to policymakers on the impact of public measures designed to change behavior or outcomes.³⁸

This is a very important distinction. Positive social science is about understanding behavior in the environment as it is. Policy analysis is about understanding how we might change the environment to achieve policy goals. Positive social science is a necessary but insufficient condition for policy analysis based on research. For effective policy prescription we need to know not only that behavior (B) is associated with group (G) or that social force (F) leads to level (L), but whether treatment (T) to B or F can move G or L in the “right” direction.

The research on the underclass represented by these papers can be characterized as positive social science. Some of the authors and discussants alluded to public policies or discussed the importance of knowing which of several causal routes might explain results, since different public policy prescriptions would follow, depending on the causes of underclass behavior and circumstances.

Given the lack of agreement on the definition of the underclass or its causes and complex nature of the issue, it seems to me that research on the underclass throughout this decade will continue to be positive social science rather than policy analysis. I do not foresee a large investment of government resources in demonstration evaluations or other forms of applied social science related to the underclass qua underclass, although research will be conducted on particular aspects of underclass behavior such as teen parenting or welfare dependency. Any serious discussion of the policy implications from underclass research that I have reviewed is, in my opinion, very premature, although understandable given the severity of the problem. While social scientists can be accused of studying a problem to death, premature initiatives also have their costs and unintended consequences. (I applaud the efforts of the Urban Institute and Ford Foundation for their Urban Opportunities Program, which is trying to develop a demonstration agenda.)³⁹

It is likely, however, that government agencies will continue to investigate underclass issues as articulated by Jencks in the conference discussion and in his writings⁴⁰—educational underclass, jobless underclass, impoverished underclass, etc. Separate underclass behaviors are the province of a number of federal departments: dropping out of school, the Department of Education; crime and delinquency, the Department of Justice; out-of-wedlock child-bearing and welfare dependency, the Department of Health and Human Services; and concentration of the poor, the Department of Housing and Urban Development. Therefore, more interdepartmental collaboration is also necessary. Foundations and other institutions can play an important role in promoting collaboration and pulling together various funding strands.

Government research institutes, like the National Institutes of Health, and statistical agencies, like the Bureau of the Census, tend to have research portfolios that are primarily invested in positive social science, whereas a policy shop, such as ASPE, tends to have a portfolio which is more oriented to normative policy analysis and evaluations. In judging where to invest scarce resources for research and evaluation, ASPE emphasizes policy relevance and timeliness to inform policymaking.⁴¹

It is my opinion, therefore, that ASPE should invest only modest amounts in research on the underclass. The preponderance of funding for such research should be provided by foundations and academic institutions until such time as program policy options come clearly into focus. On the other hand, a case can certainly be made for ASPE to support basic research tools, such as the NLSY and Panel Study of Income Dynamics (PSID) surveys, upon which researchers depend in studying the underclass and other poverty problems.

Regardless of whether ASPE should invest current budgets in underclass research, the problem is serious and does need further attention. What seem to be promising avenues? The next section discusses two strategies—multidisciplinary/multiple-data approaches and longitudinal analysis. The final section lists several open questions that seem important.

Strategies

Multidisciplinary approaches. How can we support data gathering which will encourage multidisciplinary paradigms and analyses? Is it possible? Will it lead to more cost-effective research?

Economists study how people make choices; sociologists study how people have no choices to make. (anonymous)

In an earlier issue of *Focus*, David Ellwood analyzed three models—rational choice (choices and behavior), expectancy (confidence and control), and cultural (values and culture).⁴² He stated these roughly correspond to the disciplines of economics, social psychology, and anthropology.

“Unfortunately, models which emphasize major differences by class and the large societal forces that create and shape such classes could not be included [in his analysis] because they cannot be as easily subjected to traditional tests, which focus on individual behavior” (p. 6, emphasis added). That is, as an economist, Ellwood had trouble evaluating sociological paradigms, which he openly admitted at the conclusion of his article.

In response to Ellwood, Sullivan, an ethnographer, provides another perspective of rational choice and culture. His paper describes how rational choice and cultural factors interact in determining patterns of childbearing, marriage, and AFDC use. He argues that culture has been mischaracterized as a set of static traits passed on unreflectively from one generation to another.⁴³ He states, “contrary to Ellwood’s insistence on separating out ‘pure models’ of choice and culture, this paper has shown that culture itself contains a substantial element of rational choice. Choices can be individual cost-benefit calculations but they can also be collectively patterned solutions to common problems. This paper vindicates many aspects of all three kinds of theory, with the notable exception of variants of culture theory which treat culture as a set of unchanging values not responsive to the changing exigencies of adaptation to circumstances.”⁴⁴

The vast majority of data used in social science in general and underclass research in particular are survey data. Unfortunately, each discipline approaches a survey differently. They have different data demands and survey strategies. Given both serious research budget constraints and individual survey time constraints (for example, the one-hour time limit guideline for an interview used by the Office of Management and Budget), almost insurmountable interdisciplinary problems arise.⁴⁵ It appears to me that as long as surveys are an important source of data, interdisciplinary collaboration is imperative to bring about the effective use of limited resources.

Surveys, however, are not enough. Those now in use may be seriously flawed for research on the underclass. No matter how you define the underclass, it includes a high prevalence of nontraditional behaviors in addition to poverty. Darity and his colleagues point out that surveys such as the PSID or NLSY, which follow respondents over a long period of time, may suffer serious biases in underrepresenting the underclass and underreporting underclass behavior because underclass members are less likely than others to be selected into the sample frame for initial interviewing and are more likely to drop out of a survey over time. They make the further point that all groups are likely to underreport underclass behavior. It does appear, therefore, that traditional survey methods will have serious limitations in obtaining valid, reliable information about underclass phenomena, no matter whether the paradigm stresses attitudes, expectations, behaviors, or social forces. That does not mean surveys should be discarded. They must be supplemented with other types of data.

I believe Wilson had a bold research strategy in his Urban Family Life (UFL) study by attempting to blend a survey, ethnographic case studies, research of institutions, and secondary analysis of administrative records and historical data. His plan to include eight or ten ethnographers in different neighborhoods to gather a common set of information was an important supplement. No doubt there is some validity to concerns about ethnography; case studies, like journalistic anecdotes, are difficult to replicate and validate. That is why Wilson's strategy of having a number of ethnographers gather data from informants on a number of questions relating to numerous aspects of the underclass and guided by a single (or small group acting as a) controller has a great deal of appeal to me. It is my understanding that the controller was to assist the ethnographers in comparing notes and hypotheses and to force them, as a devil's advocate, to challenge preconceived notions and assumptions about the poor. On the other hand, it is my impression that most ethnographers would be unhappy with such a structured approach; it would conflict with standard ethnographic techniques.

This approach seems to me, however, to overcome many limitations that other social scientists see in ethnography. Yet, having read a number of the ethnographic case reports from the Wilson study, I find it very difficult to conceive how these extremely rich and provocative anecdotes could be organized and integrated with the project survey or other data in a systematic manner. I await the reports from the researchers to see if they accomplished the integration of qualitative and quantitative data.

Given that labor force participation is central to the underclass issue, looking at historical trends in jobs and employment and interviewing employers also seem critical. Economists talk about rational choice in supply and demand. Sociologists are concerned with institutional responses that limit individual options. It seems to me that the available analytical techniques favor looking at individual choice rather than institutional behavior, whether it is demand for workers or supply of educational opportunities. (All of the conference papers use data on individual behavior rather than institutional response to individuals; this is probably also representative of a general bias in ASPE-funded research.) More can be done. Wilson's colleagues interviewed employers about hiring practices and, I believe, obtained some very important insights.⁴⁶ They also obtained and analyzed employment data for Chicago over a period of years.

It is important to our understanding of the underclass, in my opinion, to formulate interdisciplinary strategies to blend several data sources and to look at both individuals and the institutions with which they interact.

Longitudinal analysis. To date, most of the research reports on neighborhood concentration of the underclass have analyzed one or two cross-sectional surveys⁴⁷ but have not looked at longitudinal microdata on individuals flowing in

and out of those neighborhoods. They inferred from the cross-sectional data that underclass people were stayers rather than movers. We have yet to see dynamic analyses of the underclass of the sort that has been done on people in poverty or on welfare rolls.

The works of Greg Duncan, Saul Hoffman, Mary Jo Bane, and David Ellwood using the PSID on the dynamics of poverty and, later, on welfare dependency are credited with changing the way people look at these problems.⁴⁸ They showed, for example, that poverty was much more dynamic than had been assumed. Looking at completed spells over a number of years, they found that more people experienced some poverty than had been previously shown, and, for most people in poverty or on welfare, the average length of stay was short. For those who made up the long-stayers, however, the stay was longer than they had expected; at any single point in time a significant proportion of welfare recipients are in the midst of a long spell of welfare dependence. This longitudinal perspective represents a major shift in our view of a social problem—a change in the life cycle of an issue—from static description to a more dynamic frame of reference.

We seem to be close to the same developmental time phase in research on the underclass. Longitudinal analysis of underclass concentration, persistence, and behaviors will no doubt shed new light on this issue. It is possible that just as did Sharon Long, who looked at hazard analysis of multiple program receipt, researchers will be able to explore patterns of multiproblem underclass behaviors.⁴⁹

The work anticipated from Corcoran, which merges information about the census tract area where PSID respondents have lived, and from Hill and O'Neill, which merges zip code information with NLSY respondents, will allow us to look at people over time and link them to their neighborhoods. These studies and others should provide a much more dynamic definition and analysis of the underclass (concentration, persistence, and behaviors). Thus far, however, these works have not investigated in- and out-migration of underclass people from neighborhoods.

Issues needing further research

What follows is a short, eclectic list of issues. It is not intended to be a complete, definitive list of need-to-dos. As I mentioned earlier, I believe that our understanding of the underclass is insufficient at this point to allow us to attempt applied policy research or program evaluation.

1. *Single parenting, marriage and unemployment.* What is causing the decline in the rate of marriage among adults? Why is there an even steeper decline for blacks than for whites or Hispanics? Why is there such an increase in children being born to and raised by single parents? Is there really a wage premium to a black teenager to have a child, as found by Lundberg and Plotnick? Are employment prospects for males an important factor?

Some policy analysts feel that marriage is not an appropriate topic for government policy research. Perhaps not, since public policy probably should take a neutral position that is neither pro- nor anti-marriage in individual situations. Value judgments aside, it does seem to me, however, to be an important positive social science research topic, especially since many public policies have unintended consequences to children through the breakdown of marriage and child support. In a recent survey, 30 percent of the members of the American Psychological Association found the decline in the nuclear family to be the single greatest threat to America's mental health—ahead of unemployment (20 percent), drug abuse (18 percent), and alcohol abuse (14 percent).⁵⁰

Testa and Krogh's work on the relationship between unemployment rates and marriage rates is an important issue in my opinion. Since their work is only applicable to Chicago and may suffer from selection bias problems, it must be replicated by other studies. It would be of great value to know whether welfare causes increased nonmarital parenthood among the employed (as Murray has suggested) or unemployment prevents men from marrying and therefore is related to single parenting and dependence on welfare (as Wilson suggests). Robert Moffitt, in his recent review of the literature on the incentive effects of the U.S. welfare system, also concludes that there should be more research on family structure.⁵¹ A (positive social science) finding that high unemployment of black males is related to high out-of-wedlock childbearing and single-parent families, however, does not imply that employment programs for males will increase marriage and reduce single-parent families. That hypothesis would require testing with a (policy research) demonstration; marriage rates would be an important variable to measure in addition to standard employment and training variables when and if male employment demonstrations are undertaken.

A natural experiment apparently took place in Boston from the late 1970s until recently—the tremendous economic boom and tight labor market. Maybe the NBER survey used in the work of Richard Freeman, Case, and Katz can add to our understanding of the relationship between the labor market and family structure.⁵² Early results indicate that the economic boom did reach down into the ranks of low-income black males. Has it affected family formation?

Paul A. Jargowsky and Mary Jo Bane report a significant reduction in ghetto areas in smaller metropolitan areas in the South.⁵³ These cities might serve as natural experiments to look at employment and marriage rates where circumstances have gotten better, as well as worse. We might be able to look at these successful labor markets, in addition to Boston, instead of focusing entirely on the problems of rustbelt cities, as has been much more the case to date. Can we bring longitudinal, dynamic analyses to bear to help us understand whether employment policies have positive implications for families?

2. *How is membership in the underclass transmitted?* It is not obvious to me that just because children live in underclass areas they should be counted as members of the underclass. If one is willing to grant that children are not born into the behavioral underclass, what mechanisms encourage dysfunctional behavior in adolescence and adulthood? How are some low-income families in underclass areas able to avoid underclass behaviors? It also is not obvious to me that underclass behavior occurs only in metropolitan areas. It may be that the emphasis on the underclass in cities has to do with the data available. What about rural areas? Is the density of the population a contributing factor, or are there underclass people or areas in nonmetropolitan regions? Is it the people in the neighborhood or something about the geography that contributes to underclass behavior?

Assuming there are many factors related to underclass behaviors, what are their relative contributions? Do they differ for different behaviors, and if so, how? It seems to me that regardless of who influences underclass individuals—their parents (intergenerational persistence) or their friends, peers, and neighbors—we eventually need to understand the causal mechanisms in order to move from positive social science to policy analyses and prescriptions. The formulation by Wolf and his colleagues of how concentrated behavior influences others is important. Gottschalk states that in order to develop policy prescriptions we still need to know why children follow in their parents' footsteps. Lundberg and Plotnick assume that younger cohorts perceive opportunity costs of out-of-wedlock childbearing from the general experiences of an older national cohort—a cohort that did not necessarily even live in the younger cohort's neighborhood. Possibly one of the reasons they do not find apparent opportunity-cost effects is that their formulation does not take account of the lack of proximity of role models to the younger cohort or the manner in which their tastes are formed or modified.

3. *Criminal behavior.* Definitions of the underclass often include criminal behavior. Much of the empirical work, however, has not included it. Is this situation due to limitations in data or parochial disciplinary training and failure to design broader paradigms? Can criminal behavior, including substance abuse, be fruitfully linked to (behavioral and structural) paradigms and analyses of other behaviors and neighborhood concentration?

The NLSY, Wilson's survey, and ethnographic data present such an opportunity. Richard Freeman's Boston survey also includes data on criminal behavior. His recent work reports the terrible consequences that incarceration has on prospects for future employment.⁵⁴ These results are consistent with the Darity et al. concept of the marginalization of black men.

4. *The role of welfare.* The data from these papers seem to indicate that a family's welfare use is associated with both intergenerational persistence and neighborhood concentra-

tion of welfare families. What mechanism(s) is (are) driving these phenomena; or are they just spurious correlations? Can public administration reverse these consequences? If so, how? If higher welfare payment levels increase the prevalence of welfare and lower levels raise the poverty rates, what policy demonstrations should be undertaken?

This list of issues outlines some of the many unknowns we face. We still do not have agreement on what we mean by the underclass, much less what factors are associated with its growth. We do not know whether government can reduce the causes of the growth of the underclass and if such a reduction would affect the number of people so classified. Indeed, the debates about the underclass sound very familiar to those who were around in the 1960s, when the culture of poverty held center stage. About that debate Henry J. Aaron said,

In retrospect, the debate between the cultural and environmental views of poverty seems to have vanished without leaving significant intellectual residue. The reason may be the failure of either side in the debate to formulate the issues precisely, the lack of evidence . . . and the unwillingness of participants to suggest the kinds of tests or information that would resolve the debate.⁵⁵

What residue this underclass debate will leave remains to be seen. ■

¹The edited proceedings of that conference have been published as *The Urban Underclass*, ed. Christopher Jencks and Paul E. Peterson (Washington, D.C.: The Brookings Institution, 1991).

²The author would like to thank Katherine McFate, Dan Meyer, Sharon McGroder, and Steve Sandell for their helpful comments and suggestions and the Policy Information Center library staff for their help in preparing the study abstracts.

³William A. Darity, Jr., Samuel L. Myers, Jr., William J. Sobol, and Emmett Carson (paper 7, see box, p. 8), pp. 1–7.

⁴Ibid.

⁵*The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987), p. 8.

⁶“A Conceptual Definition of the Underclass,” *Focus*, 12:1 (Spring and Summer 1989), p. 28.

⁷See, for example, Ricketts and Sawhill, “Defining and Measuring the Underclass,” *Journal of Policy Analysis and Management*, 7 (Winter 1988), 316–325; Ronald B. Mincy, Sawhill, and Douglas A. Wolf, “The Underclass: Definition and Measurement,” *Science*, April 27, 1990, pp. 450–453.

⁸Mincy, Sawhill, and Wolf, “The Underclass,” p. 451.

⁹See, for example, Douglas S. Massey, Mitchell L. Eggers, and Nancy A. Denton, “Disentangling the Cause of Concentrated Poverty,” Population Research Center, University of Chicago, October 1989.

¹⁰Wilson’s earlier theoretical work was hampered, in my opinion, by the fact that in some parts of his theory the hypotheses were not stated in refutable terms or it was not clear how the variables could be

operationalized. That is, he did not lay out details of his theories in ways that one could test with empirical data. In his 1990 presidential speech at the American Sociological Association, one of the reasons he gave for encouraging the work of Van Haitsma was that her theoretical work is embedded in a framework of testable hypotheses.

Van Haitsma’s colleagues Mark Testa and Marilyn Krogh made a contribution in this regard in their ASPE work (paper 6, see box, p. 7). They took two major theories about the underclass—Wilson’s and Charles Murray’s—and discussed what they thought would be empirical tests of the two hypotheses as they relate to male unemployment and marriage rates. They used the discussion of the contending hypotheses to guide the presentation of their results. However, since Wilson and Murray often did not articulate their theories in empirical terms, people can disagree about whether Testa and Krogh have specified their hypotheses correctly. This is yet another example of the frustrations of trying to pin down the underclass concept.

¹¹See, for example, Paul Jargowsky and Mary Jo Bane, “Neighborhood Poverty: Basic Questions,” Center for Health and Human Resources Policy, John F. Kennedy School of Government, Harvard University, March 1990.

¹²For examples of areal/spatial definitions see Mincy, Sawhill, and Wolf, “The Underclass”; Ricketts and Sawhill, “Defining and Measuring the Underclass”; Mark Alan Hughes, “Concentrated Deviance and the ‘Underclass’ Hypothesis,” *Journal of Policy Analysis and Management*, 8 (1989), 274–282; M. Anne Hill and June O’Neill (paper 3, see box, p. 6); and Mary Corcoran, Roger Gordon, Deborah Laren, and Gary Solon (paper 1, see box, p. 6).

¹³Ethnographers such as Mercer L. Sullivan (paper 5) and Eli Anderson, Sullivan’s discussant, are more comfortable with social concepts of community than spatial designations of neighborhoods using census tracts or zip codes. Sullivan’s paper does use a methodological approach that links ethnographic case studies with health statistics.

¹⁴See David L. Sjoquist, “Concepts, Measurement, and Analysis of the Underclass: A Review of the Literature,” pp. 1–9 (included in paper 9).

¹⁵For example, see Mincy, Sawhill, and Wolf, “The Underclass.”

¹⁶The NLSY does not represent all age groups; it only represents people who were 14 to 21 years old in 1979. However, they were 22 to 29 years old when the analysis was done. This age cohort is a very significant portion of the underclass and therefore informative.

¹⁷Darity and his coauthors (paper 7) struggle with this problem in the first chapter of their paper.

¹⁸“Statistical Discrimination and Inner-City Workers: An Investigation of Employers’ Hiring Decisions.” University of Chicago, August 1990.

¹⁹For example, see “The Dangers of the Underclass: Its Harmfulness as a Planning Concept,” Russell Sage Foundation Working Paper no. 4, New York, January 1990.

²⁰See Wilson, “Social Theory and Public Agenda Research: The Challenge of Studying Inner-City Social Dislocations,” presidential address, annual meeting of the American Sociological Association, Washington, D.C., August 1990.

²¹Conference transcript, p. 257.

²²Conference transcript, p. 194.

²³See Wolf, Clark, and Freedman (paper 10), pp. 43–44.

²⁴See Manski, “Dynamic Choice in a Social Setting,” SSRI Workshop Series, University of Wisconsin-Madison, March 1990; and Streufert, “Middle-Class Flight and the Underestimation of Education’s Future Benefit by the Underclass,” Institute for Research on Poverty proposal to ASPE for the 1989–1991 biennium.

²⁵For example, see Massey, Eggers, and Denton, “Disentangling the Cause of Concentrated Poverty”; and John D. Kasarda, “Urban Industrial Transition and the Underclass,” *The Annals of the American Academy of Political and Social Science*, January 1989, pp. 26–47.

²⁶Gottschalk's paper was primarily methodological in content. Greg Duncan's critique included a number of small and large methodological concerns. See conference transcript, pp. 12 ff.

²⁷p. 12.

²⁸Testa and Krogh, Tables 8, 24, 25, and 26.

²⁹Lundberg and Plotnick, Table 6.1, p.40; and Table 6.4 A-C, pp. 49-51.

³⁰"The Company You Keep: The Effects of Family and Neighborhoods on Disadvantaged Youths," NBER Working Paper no. 3705, May 1991.

³¹Ibid., pp. 2-3.

³²Sjoquist, p. 13.

³³These figures are taken from comments by Kristin Moore in her discussion of the Lundberg-Plotnick paper.

³⁴For example, see Marta Tienda and Haya Stier, "Joblessness and Shiftlessness: Labor Force Activity in Chicago's Inner City Neighborhoods," in *The Urban Underclass*, ed. Jencks and Peterson.

³⁵Ronald Ferguson, one of the discussants, correctly points out that this may be related to selective out-migration from the sample neighborhoods by older males. Testa acknowledges this possibility in his paper.

³⁶Darity et al., Executive Summary, p. i.

³⁷Taken from Richard P. Nathan, *Social Science in Government: Uses and Misuses* (New York: Basic Books, 1988), p. 14.

³⁸Robert H. Haveman, *Poverty Policy and Poverty Research: The Great Society and the Social Sciences* (Madison, Wis.: University of Wisconsin Press, 1987), pp. 156-157.

³⁹The Urban Opportunities Program is designed to look at the changing structure of American cities and the implication for economic and social opportunity. The project is being carried out by the Urban Institute under Ford Foundation sponsorship. For additional information contact George E. Peterson or G. Thomas Kingsley at the Urban Institute, (202) 833-7200.

⁴⁰See, for example, "What Is the Underclass—and Is It Growing?" *Focus* 12:1 (Spring and Summer 1989), pp. 14-26.

⁴¹The typology described here is very similar to a three-part typology discussed by Nathan, *Social Science in Government*, p. 14.

⁴²"The Origins of Dependency: Choices, Confidence, or Culture?" *Focus*, 12:1 (Spring and Summer 1989), pp. 6-13.

⁴³Conference transcript, pp. 73-74.

⁴⁴Sullivan (paper 5), p. 38.

⁴⁵I once was involved in a research project that required designing a questionnaire to gather survey data about the incidence of running away. I found that the sociologists and psychologists had completely different perspectives on how questions should be asked and in what order they should be asked. It is my judgment that a great deal of this conflict was the result of academic paradigms, rather than the idiosyncracies of the individuals involved.

⁴⁶Neckerman and Kirschenman use these interviews in "Statistical Discrimination and Inner-City Workers."

⁴⁷For example, see Ricketts and Sawhill, "Defining and Measuring the Underclass."

⁴⁸For example, see Bane and Ellwood, "Slipping Into and Out of Poverty: The Dynamics of Spells," *Journal of Human Resources*, 21 (Winter 1986), 1-23; and Greg J. Duncan et al., *Years of Poverty, Years of Plenty* (Ann Arbor, Mich.: Institute for Social Research, University of Michigan, 1984).

⁴⁹Long, "Children and Welfare: Patterns of Multiple Program Participation," Urban Institute, Washington, D.C., September 1990.

⁵⁰"The Threat of Broken Families," *USA Today*, March 19, 1991.

⁵¹"Incentive Effects of the U.S. Welfare System: A Review," Institute for Research on Poverty Special Report no. 48, Madison, Wis., 1991.

⁵²Richard Freeman, "Crime and the Economic Status of Disadvantaged Young Men," presented at the Conference on Urban Labor Markets and Labor Mobility, Urban Opportunities Program, the Urban Institute, Washington, D.C., March 1991; Case and Katz, "The Company You Keep."

⁵³"Neighborhood Poverty: Basic Questions."

⁵⁴Freeman, "Crime and the Economic Status of Disadvantaged Young Men."

⁵⁵*Politics and the Professors: The Great Society in Perspective* (Washington, D.C.: The Brookings Institution, 1978), p. 22. Quoted by Darity et al. (paper 7), p. 21.

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