

# IRP agenda for 1993–1995

The agenda of the Institute for Research on Poverty for the biennium 1993–1995 consists of two different types of research projects: individual studies on poverty, welfare reform, and education; and group activities dealing with methodology to study low-income populations, dependency and vulnerability, and program evaluation.

The agenda was developed jointly by IRP affiliates, members of the IRP National Advisory Committee, and staff members at the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services. The projects are funded by ASPE.

In addition to the research program described here, the Institute will continue its dissemination activities, which include a joint seminar series with ASPE, a discussion paper series, a reprint series, the IRP newsletter, *Focus*, and *Insights*, a bulletin summarizing noteworthy research findings. The program of postdoctoral, sabbatical, and small grants will also be part of the new agenda; see announcement on p. 12. Current awards under this program are listed elsewhere in this issue of *Focus*. (See p. 37.)

## Poverty

### 1. *The Implications of Women's Economic Vulnerability for Marital Transitions*

Aimée Dechter, Assistant Professor, Department of Sociology, University of Wisconsin–Madison

This project will examine the effect of women's economic independence on marital transitions (e.g., marriage, divorce, remarriage, and nonmarital unions and their dissolution). New measures of economic independence and vulnerability are proposed that vary with the marital context. Among the questions to be answered are the following: How does the effect of women's economic independence on union dissolution differ for women in first and second marriages, between cohabitants and married couples, and between couples with children and childless couples? Is the lower prevalence of marriage among low-income populations explained by smaller economic gains to marriage, or is there an additional cause directly linked to poverty? To what extent do children increase their mothers' economic vulnerability and to what extent do they intervene in the effects of economic independence on the formation and dissolution of unions? The project will also focus on trends in economic independence since the late 1960s and their correlation with trends in marriage and divorce and whether racial differences in changes in economic independence can explain the racial divergence in marriage patterns.

Data for the study will come from the Panel Study of Income Dynamics (PSID) from 1968 to the most recent wave.

### 2. *Studies of Welfare Dependency in the United States*

Peter Gottschalk, Professor, Department of Economics, Boston College; and Robert Moffitt, Professor, Department of Economics, Brown University

A common view of long-term welfare dependency is that it is a large problem that is getting worse. This view has had an impact on public policy, but is it accurate? Gottschalk and Moffitt will assess the quality of data on welfare dynamics by examining whether two major longitudinal data sets, the PSID and the National Longitudinal Survey of Youth (NLSY), match the cross-sectional measures of welfare participation in the Current Population Survey (CPS). Next they will compare the two longitudinal measures of welfare dynamics (PSID and NLSY) across data sets and across studies. Finally, if the data are consistent, they will test a number of hypotheses about welfare dynamics, among them that welfare durations are growing longer, and that such is the case because fewer AFDC recipients escape welfare by marrying.

### 3. *The Anatomy of Economic Inactivity, Underemployment, and "Full Income" Poverty in the United States, 1973–1990*

Robert Haveman, Professor, Department of Economics, University of Wisconsin–Madison; and Barbara Wolfe, Professor, Departments of Economics and Preventive Medicine, University of Wisconsin–Madison

Since the early 1970s the U.S. labor market has been characterized by increasing joblessness and underemployment (especially among young minority males), stagnant real earnings, increased inequality in earnings, and increasing income poverty. This research, by analyzing the overall level of the nation's stock of human capital, its growth and utilization over time, and the anatomy of this growth and utilization, should yield insights into public policies to improve the performance of the labor market.

Five related studies will be undertaken. Three, based on the CPS, will attempt to measure changes in both the level and use of the nation's capital stock, and to explain any changes that have occurred over the past twenty-five years. Two studies, based on a PSID sample, will inquire into the nature and causes of any changed patterns of economic activity (or inactivity) among youth: durations, patterns, and where their money comes from when they aren't working.

The researchers will make use of the concept of earnings capacity—the capability of individuals (and families) to earn income if they use their human capital to its capacity—to estimate the extent to which human capital is being utilized.

#### 4. *Measuring Subjective Economic Insecurity*

Charles F. Manski, Professor, Department of Economics, University of Wisconsin–Madison

Available surveys such as the PSID, CPS, and NLS provide descriptions of the outcomes that individuals experience: income, assets, poverty, unemployment, state of health. They fail, however, to monitor trends in insecurity. This project will develop and implement a new periodic survey measuring subjective economic insecurity. By eliciting from respondents their perceptions of the risks they face, the survey should provide policymakers and the public with data on some important aspects of our economic condition. The information should be of value as well in determining how subjective economic insecurity varies with the population, how it varies over time, and how accurately it predicts economic outcomes. The data may make it possible to forecast the behavioral implications of changes in social insurance programs.

#### 5. *A Qualitative Study of the Conditions Affecting the Likelihood of Transitions between Homeless and Domiciled States*

Irving Piliavin, Professor, School of Social Work and Department of Sociology, University of Wisconsin–Madison

What happens to the homeless? How do people escape it? And if they do, what is likely to precipitate their return to homelessness? Previous work by Piliavin and others was unsuccessful in predicting homeless-domicile transitions. Therefore a qualitative component is being added to an investigation of 564 homeless persons in Alameda County, California, funded by the NIMH, which has been under way for three years. This component will consist of a thirty-minute taped, in-depth interview in which sample members who exited from homeless spells are asked to discuss in detail the conditions that led to their escape, and exiters who returned to a homeless state are asked about the circumstances that led to their return.

#### 6. *Persistent Poverty and Welfare Dependence among Young Adults*

Gary Sandefur, Professor, Department of Sociology, University of Wisconsin–Madison

This project focuses on young adults, who are particularly susceptible to bouts of poverty and the need for income assistance as they leave their family homes to begin lives and families of their own. Sandefur intends to examine the

effects of family background as well as educational attainment, ability, and self-esteem on income, persistent poverty, and welfare use during the early adult years, noting differences between white, black, and Hispanic young men and women. Data on participation in the Food Stamp program as well as AFDC will provide a broader picture of welfare use.

The research will add to our understanding of vulnerability and dependency by yielding clues about how some vulnerable individuals succeed on their own while others enter long periods of poverty and welfare dependence. It should aid in determining the extent to which compensatory programs are needed to overcome the handicaps faced by individuals from poverty-stricken backgrounds. Data will come from the 1979–1990 waves of the NLSY.

#### 7. *Financial Characteristics and Vulnerability of Low-Income Households*

John Karl Scholz, Assistant Professor, Department of Economics, University of Wisconsin–Madison

Scholz has been developing an elaborate large-scale microsimulation model which runs on a personal computer with an interface. It models not only the AFDC, SSI, and Food Stamp programs, but also the federal income tax and state income taxes. It will be modified to use data from both the Survey of Income and Program Participation (SIPP) and the Current Population Survey. Because it is a pc-based model rather than one designed for a mainframe, it will be easily accessible to the academic community. Scholz intends to use this model to investigate the state-to-state variation in public transfers received and taxes paid by low-income households. He will also examine the financial characteristics, use of debt, and saving of low-income households. He will examine to what extent, for example, saving is influenced by the available safety nets in different states. Do households in states with low safety nets save more?

### **Welfare reform**

#### 8. *Black Welfare Strategies, 1890–1945*

Linda Gordon, Professor, Department of History, University of Wisconsin–Madison

To complete a study of the influences of gender and race on welfare thought, Gordon, having compared the thought of white and black women and the two sexes among whites, now plans to compare the perspectives of white and black men. Her project entails examining the lives and works of black leaders who, during the period 1890–1945, used empirical social investigation of African American life to demonstrate the need for social policies to advance their people. These black intellectuals and leaders wanted not just to help the poor but to abolish entirely the poverty so pervasive among blacks. As was the case among white men, they

tended to think in bigger, more societal terms than the women of their class and race.

Situating these men and their thought in the history of welfare ideas will enhance our understanding of our current welfare system and how it evolved. Alternative strategies developed in the past may be of particular relevance today, when there is such widespread agreement that our welfare system does not “work,” because they provide a perspective outside of contemporary arrangements.

#### 9. *Archiving Data from the Wisconsin Child Support Assurance Demonstration Project*

Nora Cate Schaeffer, Associate Professor, Department of Sociology, University of Wisconsin–Madison

This project will document and preserve data collected for the Wisconsin Child Support Assurance Demonstration project. The project is now in its second decade, and the data gathered for it have been drawn from a variety of sources: family court documents, telephone interviews with parents, other official records. Researchers have used this information to describe the experience of child support cases in Wisconsin, the impact of policy innovations, and attitudes of parents concerning child support. The data can also be used to analyze policy issues on the federal level and in states other than Wisconsin. Priority will be given to documentation tasks that require relying on the memories of project staff, to overall evaluation of the design of the demonstration and the sample, to investigating legal restrictions on the dissemination of the data and the confidentiality requirements that must be met to protect individuals in the sample, and to developing procedures for making the data available to other researchers.

#### 10. *Migration among Low-Income Households: Helping the Witch Doctors Reach Consensus*

James R. Walker, Associate Professor, Department of Economics, University of Wisconsin–Madison

Do poor people move from state to state in order to obtain higher welfare benefits? To answer this question one must demonstrate not only that poor people move, but that their motive for moving is higher welfare benefits. It is impossible with existing data and statistical methodology to distinguish this motive from all the other reasons impelling people to relocate. This study will broaden existing research on welfare magnets by examining the determinants and consequences of migration for low-income individuals. First, an analysis of the County to County Migration Flow File developed from the 1980 Census will detail the characteristics of migrants and furnish precise geographical descriptions of their origin and destination locations. Then longitudinal data from the NLSY will provide descriptive evidence on the causes and results of migration for low-income persons. How do their earnings, income, employment, and program partici-

pation, for example, compare with the experiences of natives in the destination state and nonmovers in their state of origin?

## Schooling

#### 11. *Family Background, Schooling, and Economic Success*

Robert M. Hauser, Vilas Research Professor, Department of Sociology, University of Wisconsin–Madison

This three-part project will (1) continue work on trends and differentials in social background and school progression; (2) analyze differentials in educational, occupational, and economic success; and (3) collect new data regarding the influence of family background on economic success. Part 1 uses the October Current Population Surveys from 1968 onward to analyze differences in early school entry, grade progression, high school dropout, and postsecondary school entry among ethnic/racial groups by sex, region, and metropolitan location while controlling differences in social background (family and parental characteristics). Part 2 will utilize new information from Wave 2 (1986–88) of the Survey of Income and Program Participation (SIPP) on education, occupation, and earnings in conjunction with background data from respondents concerning parental education and occupation, family composition, race-ethnicity, immigrant status, and place of birth, to measure trends in the effects of social background on schooling and perhaps on occupational and income stratification. It will also analyze intergenerational aspects of program participation, using data on public assistance reciprocity histories, and will examine work disability histories. Part 3 will draw upon an addition to the 1994 General Social Survey (a module designed by Hauser and Robert D. Mare) that will ask questions concerning the social and economic standing of each respondent’s siblings, offspring, and spouse. This data will provide the first reliable measurements of sibling resemblance in social and economic achievement in the general adult population of the United States.

#### 12. *Effects of Economic and Family Factors on School Enrollment and Attainment: A Half Century of Change in America’s Cities*

Robert D. Mare, Professor, Department of Sociology, University of Wisconsin–Madison

This project, which is in its second year, will provide a comparative and historical basis for understanding the current condition of education in the thirty largest metropolitan areas in the United States. It will consider both family-level determinants and city-level factors that may affect levels of attendance and attainment and inequalities in schooling behavior among persons with varying socioeconomic backgrounds. It will assess whether measurable aspects of metropolitan school systems, such as levels of instructional expenditures, pupil-teacher ratios, and length of school year, as well as

measures of local labor market conditions, affect attendance and attainment.

Data for the project are the Public-Use Microdata Samples files for the U.S. Decennial Censuses of 1940–90 and various published summaries of data on the school systems at the metropolitan and state level, collected by the Office of Education and the National Center for Education Statistics.

Among the goals of the project is to develop and report a set of metropolitan-level educational indicators, which can be used to monitor the condition of education over space and time.

### 13. *Education and Economic Welfare among American Indians*

C. Matthew Snipp, Professor, Department of Rural Sociology, University of Wisconsin–Madison

New data will make it possible to update what is known about American Indian education and to assess the changes that have occurred during the last decade. It is known that in the years following 1970, the number of American Indians graduating from high school increased greatly, growing from 22 percent of young Indian adults in 1970 to 56 percent in 1980. To what extent are these improvements in educational attainments related to the increased number of census respondents who classify themselves as American Indians? Have the improved levels of schooling had an impact on economic welfare: labor force participation (including underemployment and unemployment), income, and transfer payments?

This analysis of American Indian youth education will focus on enrollment and age-grade progression compared with other groups (blacks and whites), and in relation to other characteristics such as residence (rural or urban) and family and household composition.

Data will come chiefly from the 1990 Public Use Microdata Sample of the decennial census.

## External activities

### 1. *Research Working Group and Summer Research Workshop on Problems of the Low-Income Population*

Robert Moffitt, Charles F. Manski, and Robert Mare, organizers

The IRP Working Group on Problems of the Low-Income Population has several purposes: to bring researchers together periodically to present and discuss their results on topics related to poverty and the low-income population; to stimulate young scholars to work in the field; and to bring the latest advances in statistical methodology to bear on the study of poverty and low-income issues.

Two meetings are held each year covering a wide variety of topics. Among the subjects discussed in the past have been evaluation methodology, the effects of welfare on marriage and work effort, trends in earnings differentials and earnings inequality, racial discrimination, trends in poverty, and health insurance.

### 2. *IRP Project on Measurement of Dependency and Vulnerability*

Charles F. Manski, organizer

This group project is an effort to improve the nation's ability to monitor important aspects of the economic health of the population by producing regular statistical reports on welfare dependency, persistence of poverty, and vulnerability to economic risks, using currently available data. The working group will also produce recommendations for enhancing the federal data system in ways that would permit better measurement than is now possible, and it will solicit ideas for individual research projects on the topics of dependency and vulnerability from IRP affiliates.

At present Karl Scholz and Peter Brandon are using SIPP, the PSID, and possibly other data sources to describe the configurations of vulnerabilities faced by households. Manski is doing exploratory work on subjective measures of vulnerability (see the description of his research project, above); Peter Gottschalk and Robert Moffitt are generating data from the PSID on time trends in dependency on AFDC, food stamps, and SSI; and a forthcoming issue of *Focus* will contain a section describing the dependency/vulnerability project and summarizing some findings achieved to date.

Plans for the working group include periodic meetings (three or four per year), a conference on the topic, to be held in the 1993–1995 period, and regular and special reports dealing with the theme.

### 3. *An Expansion of Program Evaluation Activities at the IRP*

Robert Moffitt, organizer

Building on a history of IRP involvement in program evaluations, this working group plans to expand IRP evaluation activities by organizing a series of one-day symposia in which outside evaluation teams come to Madison to discuss their work with IRP staff; by archiving and making accessible data bases useful for program evaluation; and by a heightened effort at dissemination of news and discussion related to evaluation in *Focus*.