Beyond the safety net

Douglas J. Besharov

Douglas J. Besharov is Professor at the Maryland School of Public Policy and Senior Scholar at the American Enterprise Institute

This essay was originally going to be about forty years of real, if uneven, progress against material poverty. But in writing it, I found myself excluding large numbers of African Americans from the general progress that has been made. For them, poverty is deeper, more persistent, and, I fear, more difficult to ameliorate. I want, therefore, to focus on just one aspect of poverty policy: poverty in the African American community, and what can be done about it. Although I will focus on the plight of low-skilled African Americans, all my policy recommendations, except one, apply to all poor Americans.

First, some good news. Between 1968 and 2005, the black poverty rate fell from 35 percent to about 25 percent. And as Table 1 shows, between 1974 (the first year such data are available) and 2004, the percentage of African Americans with any earnings at all grew over 20 percent faster than their increase in numbers; their mean earnings rose 57 percent; and their per capita earnings by 72 percent, to \$12,696. At the same time, per capita earnings for whites (not shown) rose from \$12,882 to \$20,328, about a 58 percent rise.

At the same time, some African Americans are mired at the bottom. Figure 1 portrays just one dimension of their situation; it shows the income of males ages 25 to 34 by race. For present purposes, the most striking thing is the high portion of black men with zero *reported* income: about 18 percent for blacks, compared to about 7 percent for whites and Hispanics. Although some of these men are in school, this

figure is a fair measure of how many black men are disconnected from the mainstream economy. Another issue, of course, is the relative absence of African Americans from the right side of this distribution.²

In 2005, blacks were more than three times as likely as whites to be in "deep poverty," that is, to have incomes below 50 percent of the poverty line (11.7 percent versus 3.5 percent). Hispanics were about twice as likely as whites to be poor (8.6 percent versus 3.5 percent). These patterns have not changed for at least fifteen years. African Americans also have longer spells in poverty. According to the Survey of Income and Program Participation, from 1996 to 1999, African Americans were about 50 percent more likely than whites to have had spells lasting more than a year, about 80 percent more likely to have had spells lasting more than two years, and about 70 percent more likely to have had spells lasting more than three years. Hispanic spell rates, by contrast, were about a quarter higher than white rates.

What lies behind these numbers? I have always believed that, beyond any structural problems in the economy that may have aggravated black poverty (and poverty in general), the 100-year history of Jim Crow oppression and exploitation (on top of a century and a half of slavery) left African Americans especially vulnerable to the economic and social shifts of the second half of the twentieth century. (Daniel Patrick Moynihan called it "the earthquake that shuddered through the American family."5)

We tend to forget that Jim Crow was a reality for many African Americans as recently as the 1960s and early 1970s. As a civil rights worker in Mississippi in the late 1960s, I saw the conditions that Nicholas Lemann described in his book, *The Promised Land*. Tenant farmers lived in tar paper shacks and in perpetual debt to the

Table 1 Black Earners and Earnings 1974 vs. 2004

	Total	Number of Wage/Salary	Earners as %	Mean	Per Capita
	Population (000s)	Earners (000s)	of Total Population	Earnings*	Earnings*
1974	24,402	9,780	40.4%	\$18,262	\$7,386
2004	39,229	17,382	44.3%	\$428,652	\$12,696
Increase	+61%	+76%	+10%	+57%	+72%

Source: Author's calculations from U.S. Census Bureau, "Annual Population Estimates," http://www.census.gov/popest/estimates.php (accessed July 27, 2006); and U.S. Census Bureau, "Historical Income Tables—People, Table P-43, Workers (Both Sexes Combined) by Median Earnings and Mean Earnings," http://www.census.gov/hhes/www/income/histinc/incpertoc.html (accessed July 27, 2006).

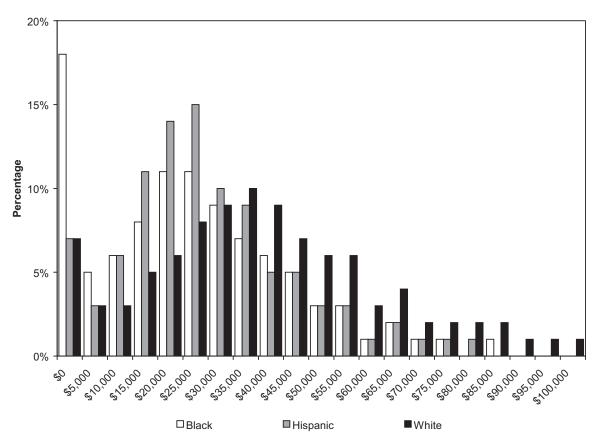


Figure 1. Male earnings distribution, ages 25-34.

Source: Author's calculations based on U.S. Census Bureau, "Detailed Income Tabulations from the CPS, 2006 ASEC (2005 Income)," table PINC-03, August 29, 2006, http://www.http://www.census.gov/hhes/www/income/dinctabs.html (accessed November 1, 2006).

landowner or local grocery store. Entire towns were denied water and sewer service because they were black. Diseased black children were refused admission to county hospitals. Separate schools for "colored" students made a mockery of the claim of "separate but equal." In the black and white schools that I visited for the NAACP Legal Defense Fund, the differences were palpable and shocking. In one white school, an entire gymnasium wall was covered with the musical instruments for the marching band. The "equal" black school had only one beat-up trumpet, and nothing else. Mississippi welfare policy, when I was there, could have been called "move first" instead of "work first." Black mothers signing up for assistance were told that there were jobs (and better welfare benefits) in the North. In Clarksdale, where I was located, the migration flow went to Chicago, so the black mothers were given bus tickets to Chicago.⁷

My main complaint, thus, about the last forty years of poverty policy is that it has not sufficiently appreciated the terrible impact of this experience on so many African Americans, and it has not mounted the kinds of programmatic interventions capable of undoing it.

The explosion of welfare recipiency is just one small example of what happened when an oppressed population was finally given access to welfare benefits. Figure 2 portrays

the AFDC/TANF caseload from 1936 to 2003. During the period 1960 to 1970, the national welfare caseload more than tripled at the same time that the unemployment rate was cut in half, from almost 6.7 percent to under 3.5 percent.⁸ This sharp rise in the national caseload was the direct result of the liberalization of welfare policies that allowed an ever larger number of *legally eligible* African Americans to receive welfare, first in the North, then in the mid-South, and then in the deep South.⁹ It is concrete evidence of pentup human need, finally addressed with the end of Jim Crow welfare rules.

I am less enthusiastic about income support programs (cash and noncash) than are many others engaged in welfare policy discussions. I worry that incentives and phase-out rates can discourage work, penalize marriage, and encourage unexpected and counterproductive patterns of behavior. ¹⁰ Most important, income support is not designed to bring a large proportion of low-skilled African Americans, especially the men, into the labor force. And, an increase in work must be an essential component of any successful poverty reduction strategy.

Many researchers have inventoried the achievement deficits and behaviors that sharply constrict the job prospects of African Americans, especially men.¹¹ In 2004, for example, black males between ages 25 and 29 were seven

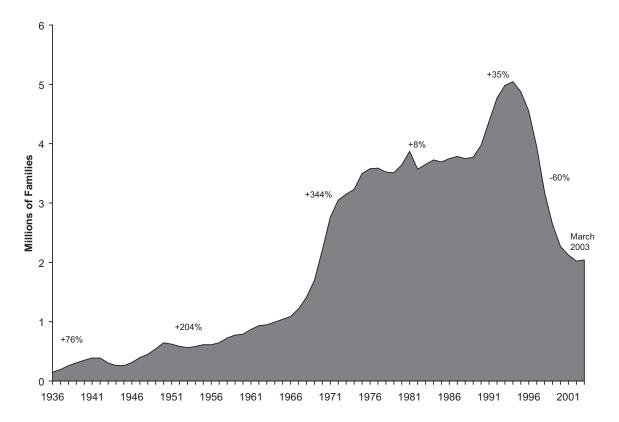


Figure 2. Welfare's growth and decline, 1936-2000.

Source: Author's calculation based on U.S. Department of Health and Human Services, Administration for Children and Families, "Average Monthly Families and Recipients for Calendar Years 1936–2001," May 25, 2002, http://www.http://www.acf.dhhs.gov/news/stats/3697.htm (accessed November 1, 2006); and U.S. Department of Health and Human Services, *Indicators of Welfare Dependence: Annual Report to Congress*, 2005 (Washington, DC: U.S. Department of Health and Human Services, September 9, 2005), "Table TANF 1, Trends in AFDC/TANF Caseloads: 1962–2003," p. A–9, http://aspe.hhs.gov/hsp/indicators05/index.htm (accessed November 1, 2006).

times more likely than their white counterparts to be in prison, 8.4 percent compared to 1.2 percent. 12 A criminal record makes it even more difficult to be hired. Further reducing the job prospects of low-skilled blacks is the competition they now face from Hispanic immigrants.¹³ This is evident in Figure 3, the proportions of blacks and Hispanic workers in some skilled trades—mechanics and repairers, construction trades, and precision production occupations. Although the data for 1984 and 1999 are not completely compatible with the data for 2004, they are close enough to show the trend. During this fifteen-year period, the proportion of workers in these occupations who are Hispanic about doubled, but the proportion of blacks stayed about the same. The number employed in these occupations rose in this period (although at only about half the rate of total employment), but this nevertheless suggests that Hispanic workers took the place of zero-income black men in the job queue.

And that is why analysts on the left and right—most recently Harry Holzer, Peter Edelman, and the late Paul Offner¹⁴—have also focused their energies on those kinds of programs that might break the cycle of poverty that traps so many African Americans (and especially African American men). The track record for such efforts

is disappointing. So, briefly, let me outline what I would try to do differently in three areas:

- Building human capital,
- Reducing unwanted pregnancies, and
- Undoing hidden racial discrimination.

Building human capital

Despite the political rhetoric and the advocacy of interest groups, few policy analysts seem to be strong proponents of remedial job training and education, because of the disappointing results in so many studies. ¹⁵ Perhaps job training and education programs have not been given a full and fair test, but it is difficult to see how we could ever mount a large enough and successful enough effort to put a significant dent in the problem. Instead, it is time to acknowledge that we have a serious and deep-seated problem that requires much more intensive and effective responses at various points in the lives of disadvantaged young people. ¹⁶

Recently, there have been claims, for which I believe the evidence is weak, that expanded preschool programs

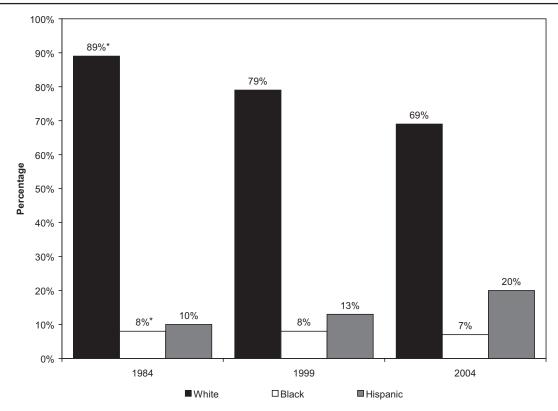


Figure 3. Workers in precision production, craft, and repair occupations.

Notes: The data source used for the 2004 figures differs from that used for 1984 and 1999. Percentages for each year may not sum to 100 percent: in 1984, Hispanics are included in both White and Black categories; in 2004, categories are mutually exclusive but not exhaustive.

Sources: Eva E. Jacobs, ed. *Handbook of U.S. Labor Statistics: Employment, Earnings, Prices, Productivity, and Other Labor Data,* 9th ed. (Lanham, MD: Bernan Press, 2006), table 1–14, p. 69; and U.S. Census Bureau, "Occupation of Longest Job in 2004—People 15 Years Old and Over, by Total Money Earnings in 2004, Work Experience in 2004, Race, Hispanic Origin, and Sex," Income Table PINC-06 from the 2005 Current Population Survey, August 29, 2006, http://pubdb3.census.gov/macro/032005/perinc/new06_000.htm (accessed October 30, 2006). "Precision production, craft, and repair occupations" are shown in the figure for 1984 and 1999. For 2004, when a new occupational coding structure was used, precision production, craft, and repair occupations are approximated by the sum of construction and extraction occupations and installation, maintenance, and repair occupations.

(resembling Head Start) could eradicate the black/white achievement gap, reduce high school drop-out rates, cut teen parenthood rates, raise earnings, and prevent crime.¹⁷ Properly oriented, such programs might be the basis of an effort to improve the child-rearing and other skills of young mothers, but such an effort would take a generation to show real results. Even then it would probably not be enough to counter the other forces that conspire to hold back so many disadvantaged children.

We need a permanent, institutionalized platform from which to provide vastly more effective educational services to disadvantaged youth, starting in their early teen years. We have a name for that platform. It is called "school." It is difficult to see how there can be a real improvement in the life prospects of disadvantaged children without better schools. The Department of Education's rigorous research effort under Grover Whitehurst and Phoebe Cottingham is a good start. But the effort should be much larger, so that it can test many more approaches simultaneously. We need to gain knowledge about what works, and what does not work, at a much faster pace than in the past. Besides academic

subjects, I would argue for a sustained and clear-eyed commitment to career and technical education, including for various craft trades. College is not a realistic goal for many disadvantaged young people, but a dignified and well-paying job is. As Table 2 shows, there will be a continuing demand for workers with less than a college education. There is evidence, most recently from MDRC, showing that career-type academies (and some versions of what used to be called "voc ed") can raise school attendance and graduation rates, raise later earnings, and, in some cases, even increase college attendance. On the control of the control

Reducing unwanted pregnancies

Michael Novak was, I think, the first to say that the family was the original Department of Health, Education, and Welfare.²¹ Now that there is a separate Department of Education, the line does not work so well—but the underlying point is still as true as ever. I think all of us, even the skeptics, are eager to see the results of various evaluations of family-strengthening activities such as

Table 2
Employment and Job Openings
By Education or Training Category (2000–2010)

	Total Job Openings Employment (2000–2010)					
	(percent distribution) 2000 2010		Number (thousands)	Percent Distribution	Mean Annual Earnings (2000)	
Bachelor's or higher degree	20.7%	21.8%	12,130	20.9%	\$56,553	
Assoc. degree or postsec. vocational	8.1	8.7	5,383	9.3	\$35,701	
Work-related job training	71.3	69.5	40,419	69.8	\$25,993	

Source: See R. Lerman, "Improving Links between High Schools and Careers," in America's Disconnected Youth: Toward a Preventive Strategy, ed. D. Besharov (Washington, DC: Child Welfare League of America, Inc., 1999), pp. 185–212; M. Cohen and D. Besharov, The Important Role of Career and Technical Education: Implications for Federal Policy, University of Maryland Welfare Reform Academy, College Park, MD, 2004, http://www.welfareacademy.org/pubs/education/roleofcte.pdf (accessed November 30, 2006); and D. Hecker, "Occupational Employment Projections to 2010," Monthly Labor Review (November 2001), pp. 57–82, http://www.bls.gov/opub/mlr/2001/11/art4full.pdf (accessed February 1, 2002).

those supported by the Bush administration. But I would also like us to address more fundamental family-formation issues. In many circumstances, especially for African Americans, the weakened family starts with unwed teen parenthood. There is, once again, an entire literature on this subject.²² Here I will emphasize one point that is often lost in the rhetoric surrounding the issue and in program planning.

Many of the pregnancies that we bemoan are "unwanted." But my research convinces me that although many disadvantaged women are poor contraceptors and face a host of forces that make it even more difficult to avoid pregnancy, many work hard to maintain control of their own fertility.

To demonstrate my point, consider abortion rates. Table 3 is based on abortion data from the National Survey of

Family Growth (NSFG). The survey missed about 50 percent of all abortions, ²³ but most researchers think the patterns it reveals are essentially accurate. Table 3 tallies the total number of reported abortions to women based on whether they also reported a teenage pregnancy. Among women interviewed at ages 40–44, 70 percent of all abortions were to women who had been pregnant as teenagers (resulting in a birth, abortion, or miscarriage).

Much could be done to help these women have better control over their own bodies—starting with the provision of more reliable contraceptives. (Condoms and even the pill have high failure rates for low-income women.²⁴) The practices of family planning clinics also need examination. Too many seem to provide little or no follow-up to women who have had pregnancy tests (and even abortions). Surely that would be a time to ask about whether the woman needed additional help with birth control.²⁵

Table 3
Cumulative Abortions for Women Ages 40–44

	Total Number	Number of Abortions in Lifetime				Cumulative Abortions	
First Pregnancy		0	1	2	≥3	Total Number	Percent
Outcomes as Teens	of Women*	Percent Distribution			of Abortions*	Distribution	
First Pregnancy Occurred							
in Teen Years	4,078	31.1%	51.9%	77.4%	84.6%	2,895	69.0%
Live teen birth	2,545	27.2	18.4	6.7	33.0	690	16.4
Teen abortion	1,125	_	26.9	70.4	50.1	2,089	49.8
Other outcomes**	409	3.9	6.6	0.4	1.5	116	2.8
First Pregnancy Occurred							
at Age 20 and Over	6,339	68.9	48.1	22.6	15.4	1301	31.0
Total	10,417					4,196	

Source: Author's calculation based on U.S. Department of Health and Human Services, National Center for Health Statistics, 2002 National Survey of Family Growth (NSFG) (Washington, DC: National Center for Health Statistics, 2006), with public use data files downloaded from http://www.cdc.gov/nchs/nsfg.htm#Datadocpu (accessed October 16, 2006). We tabulate the cumulative number of lifetime abortions for women in this age group to minimize the age bias of asking younger women about their pregnancy history.

^{*} In thousands

^{**} Including miscarriage, stillbirth, and ectopic pregnancy

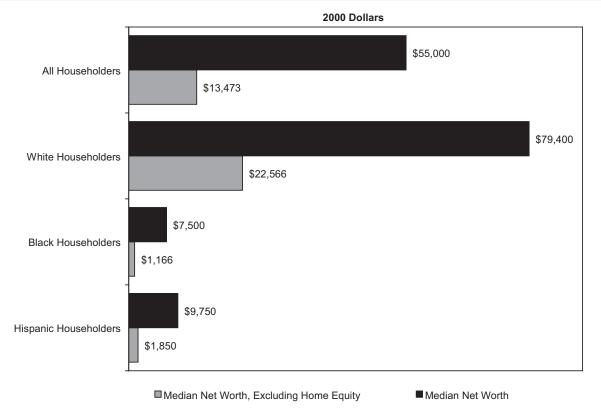


Figure 4. Median household net worth, by race and ethnicity, 2000.

Source: S. Orzechowski and P. Sepielli, "Net Worth and Asset Ownership of Households: 1998 and 2000," U.S. Census Bureau Current Population Reports P70-88 (2003), http://www.http://www.sipp.census.gov/sipp/p70s/p70-88.pdf (accessed November 30, 2006).

Such an effort would also involve protecting young girls from early sexual abuse and exploitation. According to Laumann and colleagues, in 1992: "A much larger percentage of black women report not wanting their first experience of vaginal intercourse to happen when it did than did women of other racial and ethnic groups, 41 percent compared to an average of 29 percent."²⁶

Undoing hidden racial discrimination

The goal of erasing racial bias and discrimination is, I fear, a very long-term goal, and one that goes far beyond the confines of our discussion. What we should address immediately are those government policies—three of which I describe below—that discriminate against African Americans, I hope inadvertently.

Federal college aid

Put simply, current aid formulas are tilted in favor of the white middle class. The aid formula disregards all family assets when parental income is less than \$49,999 and, regardless of family income, ignores the home equity (however great) in the family's principal residence. As Figure 4 dramatically shows, disregarding assets and home equity obscures important wealth differences between whites and blacks. This might not be a problem if there were enough funds and more to go around, but

there are not. Hence, the effect of these rules is to decrease the amount of aid available for the truly needy.

Child support

Current child support policies, designed to counter endemic nonsupport by middle-class fathers, create often substantial disincentives for low-income men to be in the formal economy—and criminalize many of them for their resulting anger and intransigence.²⁷ This hits black men most heavily. Surely we can develop a system that makes more practical distinctions based on earnings potential and the social factors surrounding African American families. A full child support pass-through that would ensure that families receiving TANF benefits also receive all child support paid on their behalf would be an important step.²⁸

Child welfare services and foster care placement

I believe we have overreacted to the poor child-rearing practices prevalent in some low-income, black communities, when they are more accurately viewed as the result of social and community factors.²⁹ By labeling cases of inadequate cognitive and social nurturing "child neglect" and even "child abuse," and by using a quasi-law-enforcement intervention, we have inappropriately disrupted hundreds of thousands of families that would have benefited more from a supportive intervention based, for example, on a nurse home-visitor model.³⁰

This essay has been of necessity brief. But I hope that it has helped frame the many complicated issues we face. We have learned a great deal in the last forty years, and made real progress against poverty. I believe that pursuing the ideas described here would move us to further gains.

¹U.S. Census Bureau, "Historical Poverty Tables," Table 2, accessed at http://www.census.gov/hhes/www/poverty/histpov/hstpov2.html on July 27, 2006.

²See, for example, D. Besharov, "The Economic Stagnation of the Black Middle Class (Relative to Whites)" testimony before the U.S. Commission on Civil Rights, Washington, DC, July 15, 2005), available at http://www.welfareacademy.org/pubs/poverty/2005.0715.testimony/ and accessed on December 4, 2006; and U.S. Census Bureau, "Percent Distribution of Families, by Selected Characteristics Within Income Quintile and Top 5 Percent in 2005," accessed at http://pubdb3.census.gov/macro/032006/faminc/new06_000.htm.

³Author's calculation based on U.S. Census Bureau, "Poverty 2005, Poverty Highlights, Detailed Tables," Table POV01, accessed at http://www.census.gov/hhes/www/poverty/poverty05.html on November 1, 2006.

⁴Author's calculation based on U.S. Census Bureau, Survey of Income and Program Participation, "Table 4. Spells of Poverty for Persons Who Became Poor during the 1996 SIPP Panel, by Selected Characteristics: 1996–1999," accessed at http://www.census.gov/hhes/www/poverty/sipp96/table04.html on November 14, 2006.

⁵See, for example, D. Moynihan, "Defining Deviancy Down," *American Scholar* (1993): 17–30; quoting S. Preston, "Children and the Elderly: Divergent Paths for America's Dependents," *Demography* 21, no. 4 (1984): 451.

⁶N. Lemann, *The Promised Land: The Great Black Migration and How It Changed America* (New York: Knopf, 1991).

⁷See F. Powledge, "The Great Migration," *Transition*, no. 55 (1992): 74–76; S. Tolnay, "Educational Selection in the Migration of Southern Blacks, 1880–1990," *Social Forces* 77, no. 2 (1998): 487–514.

⁸U.S. Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey, Unemployment Rate—Civilian Labor Force," accessed at http://data.bls.gov/cgi-bin/surveymost?ln on November 1, 2006.

⁹See generally R. Melnick, *Between the Lines: Interpreting Welfare Rights* (Washington, DC: Brookings Institution Press, 1994).

¹⁰See, for example, R. Moffitt, "Incentive Effects of the U.S. Welfare System: A Review," *Journal of Economic Literature* 30, no. 1 (1992): 56.

¹¹See generally P. Edelman, H. Holzer, and P. Offner, *Reconnecting Disadvantaged Young Men* (Washington, DC: Urban Institute Press, 2006); R. Mincy, ed., *Black Males Left Behind* (Washington, DC: Urban Institute Press, 2006).

12. The U.S. Department of Justice, "The Nation's Prison Population Continues Its Slow Growth," press release, October 23, 2005, accessed at http://www.ojp.gov/newsroom/2005/BJS06002.htm on October 31, 2006.

¹³See generally G. Borjas, J. Grogger, and G. Hanson, "Immigration and African American Employment Opportunities: The Response of Wages, Employment, and Incarceration to Labor Supply Shocks," Working Paper no. 12518, National Bureau of Economic Research, Cambridge, MA, 2006, accessed at http://www.http://www.nber.org/papers/w12518 on November 30, 2006; G. Borjas, "Native Internal Migration and the Labor Market Impact of Immigration," *Journal of Human Resources* 41 (Spring 2006): 221–258.

¹⁴Edelman, Holzer, and Offner, Reconnecting Disadvantaged Young Men.

¹⁵See, for example, D. Friedlander and G. Burtless, *Five Years After: The Long-Term Effects of Welfare-to-Work Programs* (New York: Russell Sage Foundation Publications, 1995).

¹⁶See generally D. Besharov, *America's Disconnected Youth: Toward a Preventive Strategy* (Washington, DC: Child Welfare League of America, Inc., 1999).

¹⁷See, for example, Fight Crime: Invest in Kids, *Head Start Reduces Crime and Improves Achievement* (Washington, DC: Fight Crime: Invest in Kids, 2006), accessed at http://www.http://www.fightcrime.org/reports/headstartbrief.pdf on November 30, 2006. For a skeptical view see, e.g., D. Besharov, "Head Start's Broken Promise," *AEI On the Issues* (October 2005), accessed at http://www.http://www.aei.org/publication23373 on November 30, 2006

¹⁸National Center for Education Research, "Education Research," Institute of Education Sciences, U.S. Department of Education, accessed at http://www.http://www.ed.gov/programs/edresearch/index.html on November 21, 2006.

¹⁹See R. Lerman, "Improving Links between High Schools and Careers," in America's Disconnected Youth: Toward a Preventive Strategy, D. Besharov, ed., (Washington, DC: Child Welfare League of America, Inc., 1999), pp. 185-212; M. Cohen and D. Besharov, The Important Role of Career and Technical Education: Implications for Federal Policy, University of Maryland Welfare Reform Academy, College Park, MD, 2004, accessed at http:// www.welfareacademy.org/pubs/education/roleofcte.pdf on November 30, 2006; D. Hecker, "Occupational Employment Projections to 2010," Monthly Labor Review (November 2001), pp. 57-82, accessed at http://www.bls.gov/opub/mlr/2001/11/art4full.pdf on February 1,

²⁰See generally, J. Kemple and J. Scott-Clayton, *Career Academies: Impacts on Labor Market Outcomes and Educational Attainment* (New York: MDRC, 2004).

²¹See, e.g., M. Novak, "The American Family, an Embattled Institution," in *The Family: America's Hope*, H. Voth, J. Hitchcock, N. Elko, M. Eisenstein, L. Tyrmand, and others, eds. (Rockford, Ill.: Rockford College Institute, 1979), chap. 1.

²²See, for example, R. Maynard, ed., *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy* (Washington, DC: Urban Institute Press, 1996).

23 Author's calculation based on U.S. Department of Health and Human Services, National Center for Health Statistics, "National Survey of Family Growth, Cycle VI (2002)," accessed at http://www.sscnet.ucla.edu/issr/da/index/techinfo/H15061.HTM on November 27, 2006.

²⁴H. Fu, J. Darroch, T. Haas, and N. Ranjit, "Contraceptive Failure Rates: New Estimates from the 1995 National Survey of Family Growth," *Family Planning Perspectives* 31, no. 2 (1999): pp. 56–63.

²⁵D. Besharov, F. Stewart, K. Gardiner, and M. Parker, eds., *Family Planning Services for Special Populations* (Menlo Park, CA: Henry J. Kaiser Family Foundation, 1998).

²⁶E. Laumann, J. Gagnon, R. Michael, and S. Michaels, *The Social Organization of Sexuality: Sexual Practices in the United States* (Chicago: University of Chicago Press, 1994), 328–329.

²⁷Edelman, Holzer, and Offner, Reconnecting Disadvantaged Young

²⁸See, for example, D. Besharov, "How to Help Welfare Mothers," *New York Times*, November 13, 1996, p. A23.

²⁹D. Besharov, "Child Abuse Realities: Over-Reporting and Poverty," *Virginia Journal of Social Policy and the Law* 8, no. 1 (Fall 2000): 165–203.

³⁰See, for example, Besharov, "Child Abuse Realities."