

Session 7: Summing up and looking ahead

Serving as rapporteur, Edward Gramlich had the considerable task of summarizing the conference and pointing out future directions for research. He focused on three main themes: the problems of poverty related to family structure, the difficulties of curing joblessness, and the new thinking regarding categorical treatment of groups in need. He also recommended that researchers take into account regional variations across the country.

Gramlich's discussion of family structure centered on the research questions that remain unanswered. We do not yet have enough information on the reasons that parents decide to go it alone, nor do we know if separate living arrangements of parents increase their likelihood of poverty in the long run. Mary Jo Bane's paper provided information on income levels immediately following formation of single-parent households, but we cannot predict, on the basis of evidence to date, whether separated parents will be more or less likely to climb out of low-income status in later years. According to Gramlich, Ellwood and Summers presented convincing evidence that major responsibility for formation of households with one parent cannot be attributed to the AFDC system, and Wilson and Neckerman were equally convincing in relating the rise in black single-parent families with the decline in employed black youth. Both papers, Gramlich felt, indicate the utility of further research on those subjects.

The need to expand employment opportunities for low-income groups was a theme touched on in the papers of Blank and Blinder, Ellwood and Summers, Wilson and Neckerman, and the Hamiltons. Unlike the problem of family structure, where research has not yet proved conclusive, studies of employment programs have with certain exceptions given discouraging results, as described by Glazer and by Bassi and Ashenfelter, and alluded to by Hecl. Our options are limited. Public jobs programs face union objections and the problems of displacing other workers; a decline in the real value of the minimum wage has not brought down unemployment rates among youth; and training programs cannot be expected to work very well until we have plentiful job opportunities for their graduates.

Gramlich observed that a number of the papers underscored the desirability of a more categorical strategy in transfer policy, as compared with earlier thinking that a universal negative income tax was the way to go. Ellwood and Summers demonstrated that categorization by types of recipients is economically efficient in distinguishing between those capable and incapable of work. Low tax rates and greater work incentives for those capable of work are required. Starr's paper indicated that categorization of recipients of goods and services can also be efficient in accomplishing the aims of donors: the health of the poor seems to have been improved by the programs targeted on them. And in view of the public preferences outlined by Burtless and Hecl, categorization seems to be more acceptable politically.

Problems remain, however. In return for categorizing programs, do taxpayers require that able-bodied recipients reciprocate by working, as Mead suggested those on welfare be required to do? If so, where are the jobs for them? Are those who pay the taxes for welfare programs willing to pay more for job training and job creation? The questions proliferate, but the answers do not.

Taken together, the papers of the conference suggested directions for research. Daniel Weinberg undertook that task in his paper, presented at the close of the conference.

Poverty research in the future

Weinberg organized his recommendations for further research under seven headings: family and household structure, work and welfare, in-kind transfer programs, labor market studies, the relationship of poverty to the broader society, intergovernmental relations, and methodological issues.

To enlarge our understanding of complex interactions among the events that determine family formation, the particular living arrangements chosen, and the economic circumstances of family members. Weinberg emphasized the need for continuing economic analyses of responses to government incentives, coupled with ethnographic studies to take into account cultural factors as well as demographic research on trends in fertility, marriage, divorce, and migration. Immigration, homelessness, and intergenerational support—by absent parents for their children, and by adults for their elderly parents as the life span increases—are also research issues that bear on family structure and poverty.

In the area of work and welfare, we must determine the appropriate role and effectiveness of work incentives and obligations as components of public assistance programs. We can also take advantage of the increasing availability of longitudinal data to gain insight into such correlates of welfare participation as labor market conditions, rule changes in public programs that affect earnings, the formation and dissolution of families, and changes in health status. It would be of benefit to learn more about the way in which delivery of social services affects the success of work programs and removes obstacles to employment posed by the problems of health, language, or lack of child care.

In-kind benefits appear to be much more acceptable politically than cash assistance to the able-bodied poor. Research efforts involving such benefits should include analysis of the effects of Medicaid on the work behavior and well-being of the poor, studies concerning how we may provide housing assistance in the most equitable and efficient way, and what educational techniques are most effective in increasing the skills and achievement of low-income students.

To provide employment for the poor, low-wage labor markets are critical. We need studies that will tell us what kinds of jobs offer stable employment to low-wage workers, what kinds of employers offer such jobs, and under what conditions. The trend toward a service-oriented economy and the changing age structure of the population affect that labor market, and should be taken into account. To come to terms with the problem of youth unemployment, we must further analyze results of the programs that have been tried so that we may determine what works best and how those lessons can be applied on a national scale.

On a broader level, Weinberg urged research into the causes for widening inequalities in the earnings distribution; the consequences for the poor of the division of responsibility for them among federal, state, and local governments; and the continuing effect of discrimination on the economic well-being of the poor. He closed with a discussion of methodological issues: the construction of a more accurate poverty measure, the validity of different types of equivalence scales, the use of different accounting periods in assistance programs, improvements in microsimulation techniques, and advances in evaluation methodology to take account of the problems of selection bias, truncation, and limited dependent variables.

Is any effort worthwhile?

The conference disclosed lessons from past antipoverty policies and suggested directions for future initiatives. Yet in view of economic uncertainties and political constraints, what is the utility of undertaking new efforts, or even putting our energies behind existing ones? Why bother? Alfred Kahn, professor of social work at Columbia University and for many years a member of the Institute's National Advisory Committee, spoke to that question during an evening round-table session at the conference.

Kahn cited the 1963 book *Seedtime of Reform*,¹ which described the vigorous activities of voluntary associations and their leaders during the prosperous 1920s, a period that did not encourage public efforts for the poor. Yet the diligent work of the associations laid the groundwork for the reforms that began during the next decade, in response to the crisis of the Great Depression. Despite the inhibiting climate of their own era, these groups persisted in collecting data, formulating plans, inventing, and advocating. Their efforts made it possible to move on many fronts when the need became urgent. Teamed with others, they contributed to the emergence of social insurance, child welfare, public housing, and a new approach to the federal role, paving the way for further efforts in later decades.

Perhaps, Kahn suggested, the 1980s may prove to be a seedtime. ■

Small Grants program: Round IV awards

The Institute and the Department of Health and Human Services announced in May 1985 the awards in the fourth competition of the Small Grants program, for research beginning July 1, 1985. The Institute will sponsor another competition for research in the summer of 1986. A call for proposals will be available by November 15, 1985.

Five projects were selected:

- *The Effect of the Food Stamp Program on Nutrient Intake*

This study will address the question of whether those who receive food stamps actually become better nourished, as one would expect. If recipients use the stamps impulsively, splurging in one period and going short in another, nutrients will not be consumed in the regular amounts needed to improve physical well-being. Or if stamps are used to purchase convenience foods rather than those containing more nutrients, recipients will not be better nourished. The analysis will draw on data from the Food Stamps Cashout Project of 1980-82. Principal Investigator: J. S. Butler, Vanderbilt University.

- *Government Aid to Poor College Students: Its History and Prospects*

The research will evaluate the benefits that accrue to students from poor families who are able to attend college because of government financial assistance. It will assess the effect of that aid on the types of institutions the students attend and the degrees they obtain. It will also examine the potential effects on the poor of current proposals to limit federal aid to college students. Data from the High School and Beyond Study will be used. Principal Investigator: Sandra R. Baum, Wellesley College.

- *Government Social Welfare Spending and the Private Nonprofit Sector*

When the federal government cuts back its spending on social welfare, do private nonprofit organizations take up the slack? Donors to those organizations may increase their contributions, to provide a substitute for government-backed services, thus enlarging private-sector efforts. Yet a part of government spending goes directly to private welfare agencies in the form of grants and contracts for services. Federal cutbacks may therefore reduce the activity of charitable organizations, despite increased donor contributions. This project will investigate these and other links between government expenditure policy and the private nonprofit sector. Principal Investigator: Jerald A. Schiff, Tulane University.

¹Clarke A. Chambers, *Seedtime of Reform* (Minneapolis: University of Minnesota Press, 1963).