



Focus

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In November 2006, IRP celebrated its 40th anniversary at the Association for Public Policy Analysis and Management annual research conference, with two sessions designed to provide overviews and perspectives on four decades of poverty research and poverty policy. The ten papers presented at those sessions are summarized in this issue of *Focus*.

Poverty Research

Fighting poverty revisited: What did researchers know 40 years ago? What do we know today?

Sheldon H. Danziger

Elimination of income poverty was identified as a national goal in the mid-1960s. This article reviews what was known about how economic changes affected poverty at that time, compared to what is known today. In the 1960s, the prevailing view was that the poor either did not work enough due to high unemployment or that they earned low wages due to insufficient skills. President Johnson's economists predicted the elimination of income poverty by 1980, based on the assumption that macro-economic policies would keep the economy growing, and real wages would continue to increase steadily for workers throughout the wage distribution. New antipoverty initiatives would supplement this poverty reduction by raising the skills and employment of those who were not previously benefiting from economic growth. This combination of policies would sustain economic performance, raise the productivity of the poor, and remove discriminatory barriers to economic participation.

The Conclusions

These early predictions of income poverty elimination did not come to pass. Some critics have blamed the growth of antipoverty programs themselves, while others have contended that eliminating income poverty was not as important as changing the personal behaviors of the poor. The author rejects these views and instead concludes that poverty persists, not because the theories of the early researchers were flawed, but because the economy changed dramatically in the early 1970s and no longer distributes the benefits of prosperity widely. Poverty remains high, not due to a lack of antipoverty policy options, but because neither the public nor policymakers have made reducing poverty a high priority in the current economic context. The author suggests that the success of recent antipoverty programs in the United Kingdom shows that if there is a political will to reduce

poverty and additional resources are devoted to the task, many existing (but underused) public policies can be put in place to reduce poverty substantially.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251a.pdf>

What have we learned about poverty and inequality? Evidence from cross-national analysis

Gary Burtless

In the early days of American poverty research, analysts had little reliable information to help explain the relative prevalence of poverty across rich countries. If low-income status was measured at all in other countries, the units of measurement differed from U.S. measures. In many countries, data sources did not permit accurate measurement of household resources. Thus American researchers were unable to determine whether poverty in the United States was more or less prevalent compared to other rich countries. They knew even less about the relative effectiveness of U.S. policies in reducing poverty and narrowing the gap between rich and poor.

Both the data and methods for assessing poverty have improved in the past four decades, in the United States and in other countries. Data permitting cross-national analysis now exist, resulting in a vast improvement in our understanding of U.S. poverty and inequality.

These data show that the United States is highest in inequality among rich countries. Although per capita income is higher in the United States than in the other countries, the absolute poverty rate is higher than that of any country except the United Kingdom.

The Conclusions

Cross-national evidence on income disparities and economic mobility presents a much less encouraging picture of the U.S. poverty problem compared to 40 years ago. American inequality is high compared with similar countries, and the prevalence of poverty is strikingly higher than it is abroad. Except for the upward mobility that comes with immigration into the United States, upward mobility across generations is conspicuously less common than it is in other countries. Evidence suggests that American institutions are successful in generating wealth and high employment rates, but much less successful in reducing deprivation and improving the life chances of children born in disadvantaged circumstances.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251b.pdf>

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Parenting practices, teenage lifestyles, and academic achievement among African American children

Ronald Ferguson

Evidence has shown that academic achievement gaps are among the causes and consequences of income inequality. This article addresses these gaps only as a cause. The author examines racial disparities in home-learning conditions as well as some aspects of youth culture. New evidence suggests that achievement gaps are largely attributable to life experiences, and that progress in narrowing these gaps is possible.

The article reviews racial differences in parenting practices and interventions that could influence these practices. A survey of teenagers shows that self-esteem is strongly related to their participation in popular lifestyles and also found that whether black students get accused of “acting white” depends not on their grade-point average, but on factors of personal style. The author concludes that mobilizing black parents and communities to address parenting practices, youth culture, and other lifestyle issues can foster important progress, even as the struggle continues for more just policies and less racial bias.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251c.pdf>

Hispanics at the age crossroads: Opportunities and risks

Marta Tienda

Hispanics account for over one third of the 100 million persons added to the U.S. population since the mid-1960s. In 1960, less than 5 percent of the U.S. population was Hispanic, compared to 14 percent in 2006. The Hispanic population is also more diverse now; the percentage of Hispanics who were foreign-born was less than 20 percent in 1967, but rose to over 40 percent by 2006, with approximately 2 in 5 undocumented.

Recent Hispanic demographic trends are occurring during a major transformation in the social context of childbearing and child rearing, as well as in a time of rising inequality. Hispanics are also a young population compared with the aging white majority. The author discusses each of these trends, and argues that the youthfulness of the Hispanic population provides an opportunity to counter the social and economic consequences of the aging white society, but cautions that this opportunity will not bear fruit unless growing educational gaps and poverty rates are improved.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251d.pdf>

On the legacy of Elliot Liebow and Carol Stack: Context-driven fieldwork and the need for continuous ethnography

Mitchell Duneier

Over the past four decades, U.S. social scientists who use observational methods have attempted to understand the consequences of living in poverty. This article recalls the contribution

of two anthropologists who approached poor black men and women through participating in their lives, rather than through the traditional route of entry into a community through authority figures and community leaders. By reflecting on Elliot Liebow’s *Tally’s Corner* and Carol Stack’s *All Our Kin*, the author illustrates some of the strengths and weaknesses of today’s qualitative study of poverty.

The author concludes that Liebow’s and Stack’s respective findings were shaped by the larger structural context, and that their interpretations made visible the social forces of the times. As the structure changes with shifts in politics and the organization of poverty, the author suggests that ethnographers need to be aware of those changes in order to “see” better and to speak in a relevant voice to show how it works.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251e.pdf>

Poverty Policy

Four decades of antipoverty policy: Past developments and future directions

Robert Moffitt

This article looks at how means-transfer programs for the low-income population have evolved over the last four decades. Taken as a whole, public expenditure on the low-income population is larger now than at any point in the last 40 years. Growth in expenditure has been particularly strong since 1990 as Medicaid, the EITC, and SSI have grown dramatically. On the other hand, expenditures on cash programs for single mothers such as Aid to Families with Dependent Children (AFDC) and Temporary Assistance for Needy Families (TANF) have declined. There has been a shift away from assistance to single mothers toward working families as a whole and to disabled adults and children, as well as a shift away from unconditional cash support toward in-kind transfers for programs such as health care and food assistance.

The Conclusions

The author draws two lessons from the historical trends. First, programs providing in-kind transfers have been more popular than those providing cash support, as have programs serving groups thought to be deserving. Second, work is of primary importance to policymakers and voters. The author identifies several areas in which future policy can be improved, based on the lessons of the past. One would be providing a more rational system of transfers that covers all groups in need, including prime-age males. A more rational system would also provide more systematic coordination across programs. Other areas of the system that should be addressed include health insurance reform, and a refinement of TANF work requirements. What will actually unfold depends on political outcomes and federal budgetary constraints. Depending on the federal administration, reform activities may again devolve to the states.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251f.pdf>

Beyond the safety net

Douglas J. Besharov

This article focuses on poverty in the African American community, and what can be done about it. The good news is that between 1968 and 2005, the black poverty rate fell from 35 percent to about 25 percent, and that between 1974 and 2004, the percentage of blacks with any earnings grew over 20 percent faster than their increase in numbers. However, some African Americans are mired at the bottom. About 18 percent of black men have zero reported income, compared to about 7 percent for whites and Hispanics. In 2005, blacks were more than three times as likely as whites to be in “deep poverty.” African Americans also have longer spells in poverty.

The author believes that, beyond any structural problems in the economy, the 100-year history of Jim Crow oppression and exploitation left African Americans especially vulnerable to the economic and social shifts of the latter half of the twentieth century. He argues that the last 40 years of poverty policy has not sufficiently appreciated the impact of this experience on African Americans, and has not mounted the kinds of programmatic interventions capable of undoing it. He worries that the incentives and phase-out rates of income support programs may discourage work, penalize marriage, and encourage counterproductive behaviors.

The Conclusions

The author proposes three areas in which a change in policy could break the cycle of poverty for African Americans. In order to *build human capital*, the effort to improve schools must be expanded so that many approaches can be tested at the same time. In addition, a commitment to career and technical education could provide dignified and well-paying jobs to many disadvantaged young people for whom college is not a realistic goal. In order to *reduce unwanted pregnancies*, women should be provided with more reliable contraceptives, and the practices of family planning clinics should be reexamined. Finally, in order to *undo hidden racial discrimination*, we should address those government policies that discriminate against African Americans, including federal college aid, child support, and child welfare services and foster care placement.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251g.pdf>

Taxation and poverty: 1960–2006

John Karl Scholz

The tax system plays an important role in today’s antipoverty policy. This article traces changes in federal and state tax burdens on four hypothetical families—two with incomes at the poverty line—between 1960 and 2006. Federal tax policies affecting the poor can be broken into three distinct periods: prior to introduction of the earned income tax credit (EITC), the early years of that policy, and the years following sharp EITC expansions.

While there is much uncertainty surrounding any forecast of future tax policy developments, the author identifies several factors that he believes will shape the evolution of tax policy as

it affects poor families and individuals. Employment subsidies will likely remain the most important way that the tax system affects low-income families, but budget deficits and EITC non-compliance will place pressure on these subsidies. Tax initiatives may, in the future, be targeted toward low-wage, childless individuals who have poor labor market prospects.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251h.pdf>

The institutional architecture of antipoverty policy in the United States: Looking back, looking ahead

Marcia K. Meyers

One of the most significant developments for antipoverty policy over the last 40 years has been retrenchment in cash assistance programs for the poorest alongside growth of policies that are *not* for the poor. As a result, the United States has developed a “trifurcated” system of programs.

The author concludes that the United States has policies that provide generous, socially legitimate and sustainable social welfare and health assistance for many, but this assistance is generally not available to the poor. Instead, means-tested welfare assistance is meager, difficult to access, and socially stigmatizing. In addition, assistance to the poor is designed to be temporary, but provides no link to the sustainable assistance available to the more advantaged.

Looking ahead to the next 40 years, the author claims that the crucial challenge is to design antipoverty policy that is not about “poverty” but about economic security, and not for “the poor” but for all who contribute to U.S. economic growth and prosperity.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251i.pdf>

Meeting children’s needs when parents work

Jane Waldfogel

With the dramatic increase in maternal employment, family life in the United States has changed significantly. Forty years ago, two thirds of American children had a stay-at-home parent, while only one third do today. As family life has changed, so have public expectations of low-income families. The availability of work supports for those families has increased, with particularly sharp increases in the EITC and child care subsidies. However, many policies, including those of schools and employers, have not kept pace with the changes in working families. This article reviews research on what children need and how those needs can be met when parents work, and suggests policy changes to better meet those needs.

The author identifies seven policy implications, including giving parents more flexibility at work, breaking the link between employment and key family benefits, improving quality of child care, and extending time in school. The article concludes with examples of the United Kingdom’s recent child-focused policy reforms.

<http://www.irp.wisc.edu/publications/focus/pdfs/foc251j.pdf>

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