



# Focus

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**Special Issue**  
**Defining and Measuring the Underclass**

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Overview	
Sheldon Danziger	1
The origins of “dependency”: Choices, confidence, or culture?	
David T. Ellwood	6
What is the underclass—and is it growing?	
Christopher Jencks	14
A contextual definition of the underclass	
Martha Van Haitsma	27
The origin of black female-headed families	
Erol Ricketts	32
American Indian reservations: The first underclass areas?	
Gary D. Sandefur	37
Funding opportunities for poverty research	41

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## Overview

by Sheldon Danziger

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The economic recovery that began in 1983 has been unusual in both its length and its modest antipoverty impact. The

official poverty rate, which peaked at 15.2 percent in 1983, had by 1987 fallen only to 13.5 percent. Poverty in 1987 was well above the 11.7 percent rate of 1979, even though median family income in 1987 was about the same as in 1979. The recovery has been marked by a widening gap between the rich and the poor.<sup>2</sup> This much-publicized gap is often described by contrasting increased stock prices and the growth in the compensation of corporate executives with persistent hardship and deprivation in inner-city ghettos. Indeed, some of the most vivid images of the late 1980s are of the contrasts between the skyscraper boom in many central cities and the deteriorating neighborhoods within their shadows.

Against this background, the term “underclass” has been increasingly used in the 1980s to describe a subset of the official poor whose situation seems mostly immune to aggregate economic conditions and compensatory social

programs. 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.<sup>3</sup>

Wilson's definition and those of other analysts are now widely discussed. Yet there is little consensus on the appropriate definition or measurement of the underclass. The authors of the essays that follow were asked to address some specific aspect of the debate on the nature and meaning of the term.

Current academic and policy discourse about the definition and measurement of the underclass is reminiscent of discussions in the early 1960s about the definition and measurement of poverty. In the case of poverty, concern with the problem arose after a period of neglect following World War II. Poverty amidst plenty, when it came to public attention, was viewed as a paradox, given the prosperous state of the economy. Much of the research initiated by the War on Poverty was devoted to defining and measuring the concept. Henry Aaron wrote in 1978:

In retrospect, discussions of poverty in the sixties seem remarkably vague and imprecise for at least three reasons. The first was a lack of data. Good statistics on the number of poor at any particular time were unavailable until 1965. Good data on the long-term experiences of people who are poor at any particular time are only beginning to become available now. Second, precise questions about the causes of poverty had not been formulated, much less answered. Third, many ambiguities about the real nature of the problem were left unresolved. Was the problem absolute poverty, relative poverty, or overall inequality? And what was the relative importance of the purely economic factors?<sup>4</sup>

One can paraphrase Aaron and say that discussions of the underclass today seem vague and imprecise for many of the same reasons: lack of adequate statistics, disagreement over the causes of the problem, and ambiguities about its nature.

Popular discussion about and academic research on the underclass lay dormant for more than a decade following the acrimonious controversy surrounding Daniel Patrick Moynihan's *The Negro Family: The Case for National Action*.<sup>5</sup> According to William Julius Wilson:

The controversy surrounding the Moynihan report had the effect of curtailing serious research on minority problems in the inner city for over a decade, as liberal scholars shied away from researching behavior construed as unflattering or stigmatizing to particular racial minorities. Thus, when liberal scholars returned to study these

problems in the early 1980s, they were dumbfounded by the magnitude of the changes that had taken place and expressed little optimism about finding an adequate explanation. Indeed, it had become quite clear that there was little consensus on the description of the problem, the explanations advanced, or the policy recommendations proposed. There was even little agreement on a definition of the term *underclass*.<sup>6</sup>

The emergence of an American underclass is viewed—as was poverty—as a paradox, given the expansion of social welfare programs and the civil rights victories of the War on Poverty and Great Society era, the growth of a black middle class, and the long economic recovery of the mid-1980s. Policy discussions of the causes and consequences of the underclass proceed on much the same terms as those on the causes and consequences of poverty in the 1960s: Is the problem one of economic structure? Or is it one of behavioral pathology?

Academic discussions also sound familiar. The several interchanges on the meaning of male joblessness—a central feature of the underclass debate—between Lawrence Mead and Wilson have much the same tone as earlier arguments over whether poverty causes behavioral maladies or is caused by them.<sup>7</sup> Mead and Wilson agree on the facts—that an increasing percentage of young black men are not employed in the regular economy. Mead argues that these men will not take available jobs because they are unwilling to work for low wages at entry-level jobs that provide a bridge to better jobs. If these men would change their attitudes and behaviors, they could escape poverty. Wilson argues that changes in the economic and social organization of inner-city ghettos have cut these young men off from job networks. Their “ghetto-specific norms and behaviors” are attributable to chronic joblessness and poverty. If the structural conditions were changed, they could escape poverty.

To date, little research has been completed (but much is in progress) to sort out the complex causal links among economic conditions, family structure, and individual attitudes and behaviors in the inner city. As in the period following the rediscovery of poverty, much of the initial research on the underclass has focused on defining and measuring the concept.

As the articles in this issue indicate, what various analysts mean when they refer to the underclass may not be what can be measured with available data. All agree that the underclass comprises only a small percentage of the poverty population, as defined by the Census Bureau. This official measure of money income over a calendar year does not address several elements that appear to be crucial to the definition of the underclass. These include poverty over relatively long periods; poverty that is geographically concentrated; poverty that is associated with “dysfunctional” behavior; and poverty that is transmitted through its effects on the attitudes and behaviors of the next generation.

The underclass carries with it some notion of permanence, another concept for which there is no simple definition. If one considers the persistently poor to be those whose incomes remain below the poverty line for many years, only one-third to one-half of the official poverty population is in this category. Yet the underclass is an even smaller group than the persistently poor, as many of the long-term poor—elderly widows, for example—neither live in areas with high concentrations of poverty nor engage in behaviors that deviate from mainstream norms.

Because Census data are available on the spatial concentration of poverty, whereas data on deviant behaviors are not readily available, researchers have produced a variety of Census-based estimates of the size of the underclass. Several studies count as members of the underclass poor persons who live in areas where a great proportion of the population is poor.<sup>8</sup> Others count persons, poor and nonpoor, living in areas where a large proportion of men do not work, a large proportion of young people have not graduated from high school, and a large proportion of persons live in families headed by women and in families that receive welfare.<sup>9</sup> The inclusion of all persons in these areas reflects the view (endorsed in some of the articles that follow) that neighborhood effects are important—that regardless of current poverty status, all residents of these areas, especially children, are at risk of being negatively influenced by the surrounding economic and social dislocations.

A very narrow definition of the underclass would include the intersection of these various concepts—the able-bodied persistently poor who themselves are weakly attached to the labor force and live in areas characterized by high rates of male joblessness, crime, out-of-wedlock births, high school dropout, and welfare dependency. Such requirements are very strict and would yield a very small count. On the other hand, one could define the underclass more broadly as “those among the poor whose needs cannot be addressed by increased cash transfers alone.” This rather subjective definition would exclude the elderly and disabled, who are not expected to work, and the poor who are already working full time. It would include those who were expected, on the basis of their demographic characteristics, to work, but who did not assume responsibility for support of their families.

The arguments over the definition and measurement of the underclass are not merely academic. To the extent that they influence popular thinking and social policy, they may have enormous impact on the lives of individuals at the bottom of the socioeconomic ladder. Should the government provide public jobs for the underclass? Or should a jobless male or a teen mother or a high school dropout be required to participate in a work and/or training program such as Workfare or Learnfare or to take any available job? The answers to such questions depend on how the current debate shapes future research, policy initiatives, and program developments.

This issue of *Focus* is organized as follows. David Ellwood reviews a number of social science models that attempt to explain and predict long-term welfare dependency—a

behavior inextricably tied to the underclass and one that has generated widespread concern. He examines three types of models: rational choice models, which emphasize individual choices and incentives; expectancy models, which focus on self-confidence and the sense that one can control one's own life; and cultural models, which seek explanations in values and culture.

The rational choice model assumes that individuals rationally examine the options they face and select the one that gives them the greatest satisfaction. This model effectively explains why so many poor single mothers choose to stay on welfare—given available options, welfare makes sense. Full-time work at modest wage rates makes them only slightly better off than does welfare in many states. Those with high earning potential do earn their way off of welfare. Others escape long-term dependency only through marriage.

Ellwood finds only weak evidence supporting expectancy and culture as explanations of long-term dependency. The expectancy model suggests that welfare becomes a trap, aggravating passivity and isolation. Yet, although it is generally agreed that welfare can intimidate, isolate, and stigmatize, these effects do not seem to get worse the longer one stays on welfare. The cultural model suggests that living in a culture of poverty changes one's values, and in such circumstances welfare becomes a legitimate option to marriage or work. But since 90 percent of long-term welfare recipients do not live in big-city ghettos, where the culture of poverty is presumed to exist, most dependency cannot be attributed to the demoralizing effects of living in these communities, disastrous though the effects must be on ghetto residents.

One would assume that expectancy and culture would work better than rational choice in explaining such behavior as births to unmarried teenagers, a course of action that makes little sense from an economic point of view. And Ellwood finds that there is ample evidence to support almost any model of teenage behavior except one of pure rational choice. The rational choice model fails to offer a satisfactory explanation of behaviors that increase the likelihood of welfare dependency, such as births to unwed mothers and teenagers and the decline in marriages.

Whatever model is used, there is little evidence that the sort of policy changes that are politically feasible will make much difference in family structure or long-term welfare dependency.

In concluding, Ellwood makes the point that although expectancy and cultural models are hard to test and interpret, this does not mean that they should not be pursued. He stresses the need for systematic modeling that integrates the insights of several disciplines.

Christopher Jencks makes an important contribution to the debate over whether or not the underclass is growing. Rather than restrict himself to the evaluation of a single measure, he defines a number of different underclasses and examines them separately. Jencks views “the term underclass as an

antonym to the terms middle class and working class.” This leads him to define the underclass using the same criteria that are used to define these classes.

His first variant is the “economic underclass,” which consists of people who cannot get or hold a steady job. Next he looks at the “moral underclass,” those who treat as impractical or irrelevant such middle-class virtues as obeying the law, getting married before having children, and going to work every day. Finally he looks at the “educational underclass,” those lacking the information and skills needed for even the lowest-level jobs.

Jencks furnishes evidence that the economic underclass is growing: Unemployment among both mature men and teenagers has climbed since 1970, whether because there is a declining demand for unskilled and semiskilled workers or because workers have gotten choosier about the jobs they will take.

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Evidence for a moral underclass is mixed. The criminal underclass is shrinking; violent crime is dropping—especially among blacks. Those who have children they cannot care for adequately—the reproductive underclass—are harder to assess. Teenagers are less likely than they were in 1960 to have babies. Unwed motherhood, however, has increased over the past generation, and this increase took place at a time when preventing unwanted births was becoming easier. Whether the increase in births to unmarried women (and the drop in births to married women) indicates a growing underclass or a change in social norms is unclear.

Jencks concludes that the educational underclass is shrinking. A comparison of blacks and whites indicates that blacks have steadily narrowed the gap in high school graduation and in reading skills.

In conclusion, Jencks urges that the unmodified term “underclass” must be used by social scientists only with extreme care. His distinctions are designed to make the discussion more precise, even though they still remain ambiguous. He does believe that the term underclass contributes to public discourse by calling attention to a diverse group of social problems that have been ignored for over a decade.

Martha Van Haitsma concurs that the manner in which the term “underclass” is defined will have a bearing on research findings and policy prescriptions. She states that whereas chronic poverty, intergenerational transmission of poverty, spatial concentration, and distinctive patterns of generating income and forming families suggest that an underclass may exist, no one of these factors alone is sufficient to define it. Her definition of the underclass is therefore “those persons who are weakly connected to the formal labor force and whose social context tends to maintain or further weaken this attachment.” In measuring labor force attachment, she takes into account both the legitimacy of the source of income and the variability of its flow. And she defines the “social context” as the specific social structures in which an individual is embedded—household, neighborhood, and social network. She finds that this overall web of social relations has important effects on labor force attachment which are not fully captured by such commonly measured variables as age, education, language ability, and experience.

Van Haitsma’s conceptualization stresses underlying socioeconomic structural problems. Yet it incorporates the social and behavioral factors that contribute to long-term poverty. Van Haitsma plans to implement her conceptualization with data now becoming available from the University of Chicago’s Urban Family Life Project (directed by William Julius Wilson).

Erol Ricketts addresses one aspect of the underclass phenomenon: the enormous growth in black female-headed families. Using Census data, he concludes that black family-formation problems are of recent origin, and not, as Moyni-

han and others have argued, a legacy of slavery and racial oppression. Ricketts shows that from 1890 to 1950 black and white marriage patterns were substantially the same.

He suggests the possibility of a connection between problems in family formation and the mass migration of blacks to urban areas. In their new location blacks were increasingly vulnerable to postindustrial changes in the economy that transformed the opportunity structure of the inner city. Non-marriage and female-headed households may well be the result of the high rates of joblessness faced by lower-class black men.

Ricketts speculates further that the upward mobility experienced by upper-class blacks as a result of the civil rights revolution and affirmative action may have produced similar effects. The economic uncertainty inherent in rapid advancement makes it difficult to plan for the future. As a result, black upper-class men postpone marriage, confident that when they are ready for it, there will be plenty of women available among whom they can select a partner.

Gary Sandefur suggests that Indians living on many reservations may be a part of the underclass and that their experience may contribute to an understanding of underclass behavior. The reservation system was designed to isolate the Indian population and was largely successful in settling Indians in areas with few natural resources, far from contact with the developing U.S. economy and society. As a result, Indians on some reservations have been living in poverty for generations.

Residents of a number of reservations appear to fit one of the frequently used descriptions of an underclass: they live in communities in which over 40 percent have incomes below the poverty line; high proportions of their youth do not graduate from high school; many of the men lack full-time jobs; and many households receive public assistance and are headed by women. The residents manifest as well high rates of alcoholism and/or drug abuse, and crime and suicide.

Ironically, though Indians are free to leave the reservations, they frequently stay on, despite wretched economic conditions, because they value their traditional way of life. Often the reservation is the only place in the world where their native language is spoken.

Sandefur concludes that economic, social, and physical isolation from the majority society has an impact so powerful that it more than offsets some of the benefits of reservation life—close kinship ties and a strong sense of community.

The articles in this special issue take the reader to the frontier of academic thinking about the nature and meaning of the term “underclass.” As is evident, much additional research must be completed before a consensus can be reached on the processes that generate an underclass or a set of policies can be devised to reverse those processes. The articles, however, leave the underclass debate less vague and less imprecise than before. ■

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<sup>1</sup>Greg Acs, Paul Courant, Sandra Danziger, and Elizabeth Uhr provided valuable comments on a prior draft.

<sup>2</sup>Sheldon Danziger, Peter Gottschalk, and Eugene Smolensky, “How the Rich Have Fared, 1973–1987,” *American Economic Review*, 79 (May 1989), 310–314. Available as IRP Reprint no. 597.

<sup>3</sup>*The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987), p. 8.

<sup>4</sup>*Politics and the Professors: The Great Society in Perspective* (Washington, D.C.: Brookings Institution, 1978), p. 23.

<sup>5</sup>Washington, D.C.: Office of Policy Planning and Research, U.S. Department of Labor, 1965.

<sup>6</sup>*The Truly Disadvantaged*, p. 4.

<sup>7</sup>See, for example, the debate between Wilson and Mead in *Focus*, 10 (Summer 1987), 11–19; and, in the special issue of the *Annals of the American Academy of Political and Social Science* dealing with the ghetto underclass, Mead, “The Logic of Workfare: The Underclass and Work Policy,” *Annals*, 501 (January 1989), 156–169; and Wilson, “The Underclass: Issues, Perspectives, and Public Policy,” *Annals*, 501 (January 1989), 182–192.

<sup>8</sup>Sheldon Danziger and Peter Gottschalk, “Earnings Inequality, the Spatial Concentration of Poverty, and the Underclass,” *American Economic Review*, 77 (May 1987), 211–215 (available as IRP Reprint no. 559); Mary Jo Bane and Paul Jargowsky, “Urban Poverty Areas: Basic Questions Concerning Prevalence, Growth, and Dynamics,” in Michael McGahey and Laurence Lynn, eds., *Concentrated Urban Poverty in America* (Washington, D.C.: National Academy Press, forthcoming).

<sup>9</sup>Erol Ricketts and Ronald Mincy, “Growth of the Underclass: 1970–1980,” Urban Institute, Washington, D.C., February 1988.