



# Focus

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## Racial stigma and its consequences

Nearly a century and a half after the destruction of the institution of slavery, and a half-century past the dawn of the civil rights movement, social life in the United States continues to be characterized by significant racial stratification. Numerous indices of well-being—wages, unemployment rates, income and wealth levels, ability test scores, prison enrollment and crime victimization rates, health and mortality statistics—all reveal substantial racial disparities. . . . So we have a problem; it will be with us for a while; and it behooves us to think hard about what can and should be done.

*The Anatomy of Racial Inequality*, pp. 3–4

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### Racial attitudes and racial stigma

In *The Anatomy of Racial Inequality* I posit that a proper study of contemporary racial inequality requires that we understand the extent to which an inherited “racial stigma” even today inhibits the ability of African Americans to realize their full human potential.<sup>1</sup>

This is no simple accusation of racism. I seek to extend and generalize conventional notions of “racism” and “discrimination” so as to deal with the post-civil-rights reality

of our time. Central to this new reality, in my view, is the wide gap that has opened between the races in productivity-enhancing behaviors—the acquisition of cognitive skills, the extent of law-abidingness, the stability of family relations, attachment to the workforce and the like. I place this disparity in human development between the races at the center of my analysis and put forward an account rooted in social and cultural factors, not in the inherent capacities of black people, or in our “values.” Even if there were no overt racial discrimination against blacks, powerful social forces would still be at work to perpetuate into future generations the consequences of the universally acknowledged history of racism in the United States.

To understand this situation, we must take account of the indirect and subtle effects of racial stigma, as distinct

from discrimination. The concept of racial stigma aims to probe beneath the cognitive acts of individuals and investigate the structure of social relations within which those individuals operate. I wish to move from the fact that people take note of the race of those with whom they interact to some understanding of how this observation affects their perceptions and shapes their explanations. When does the “race” of those subject to some problematic social circumstance affect whether powerful observers perceive a problem? When observers have acknowledged a problem, how do they understand it? And how does that understanding affect the actions they may take or the policies they pursue?

Whatever the merits of the dispute about race as a biological concept, the social convention of thinking about other people and about ourselves as belonging to different “races” is so long-standing and deeply ingrained in our political culture that it has taken on a life of its own.<sup>2</sup> No objective basis for racial taxonomy is required for the subjective use of racial categories to be influential. It is enough that many social actors hold schemes of racial classification in their minds and act accordingly. And once people know that others in society will classify them on the basis of certain markers—skin color, hair texture, facial bone structure—and that these acts of classification will affect their material and psychological well-being, it is rational for them to think of themselves in racial terms also.

As race comes to be more heavily freighted with powerful social meanings, the odds diminish that an observer, starting with a mistaken view of a racial group, will process social information in a manner that exposes the error. Race becomes a more important part of an individual’s social identity when he or she is personally unknown to the observer. And if the marks of race carry a social stigma, an observer may see no reason to pay attention to the personal history that defines the individual’s actual identity. The individual becomes “invisible” precisely because of the visibility and social meaning of the racial stigmata.

As a concrete illustration of the subjective and consequential use of racial classification, consider the case of cab drivers in a big city who may be reluctant to stop for young black men because they fear being robbed. That is, they think the chance of robbery conditional on race (and age and sex) is greater if the prospective fare is a young black man rather than an older white woman. Imagine that, as a matter of crime statistics, this surmise is accurate. Yet a very simple process of adverse selection can explain how this might come about, even if no racial group is more inclined to rob a taxi driver than any other. If cab drivers are reluctant to stop for a particular class of persons, members of that class may be less likely to use taxis, because they will expect the average wait to be long. But those whose aim is to rob the taxi driver will be relatively less discouraged than those who have no such

intention. So if cab drivers begin with an a priori assumption that one racial group is more likely than another to harbor robbers, and if they are therefore reluctant to stop for people in that group, the drivers will create an incentive for self-selection: any member of the group who hails a taxi is relatively more likely to be a robber.

## The perpetuation of racial stigma

An important consequence of racial stigma is “vicious circles” of cumulative causation: self-sustaining processes in which the failure of blacks to make progress justifies for whites the very prejudicial attitudes that, when reflected in social and political action, ensure that blacks will not advance.<sup>3</sup>

To illustrate: Imagine that an observer (correctly) notes that on the average and all else equal, commercial loans to blacks pose a greater risk of default or black residential neighborhoods are more likely to decline. The observer may then withhold credit from blacks or move away from a neighborhood when more than a few blacks move in. But what if race conveys this information only because a great number of observers expect it to and then act in ways that lead to confirmation of their beliefs? What if blacks have trouble getting further extensions of credit in the face of a crisis, and so default more often? Or what if nonblack residents panic at the arrival of blacks, selling their homes too quickly and below market value to lower-income buyers, thereby promoting neighborhood decline? The original negative stereotype is then reinforced; it appears to be supported by hard evidence concerning the inherent limitations of the stereotyped group (“blacks are just less responsible”).

We will not necessarily find evidence of racial stigma by searching government statistics for instances of racial discrimination. The effects of stigma are more subtle, and they are deeply embedded in the symbolic and expressive life of the nation and our narratives about its origins and destiny. America, for example, is often said to be a nation of immigrants and a land of opportunity. But one of the first things new immigrants to America discover about their adopted country is that African Americans are a stigmatized group.

In a study of ethnic groups in Los Angeles, sociologist Camille Charles analyzed data from a survey designed to measure preferences among various groups for the ethnic and racial composition of a respondent’s ideal neighborhood.<sup>4</sup> She found that 40 percent of Asians, 32 percent of Latinos, and 19 percent of whites envisioned their ideal neighborhood, in which they would feel most comfortable, as one containing no blacks. Immigrants were much more averse to living near blacks than native-born Asians and Latinos, who had rates of “black exclusion” (no blacks in the ideal neighborhood) of 17 percent and 15 percent, respectively. Among the foreign-born, 37 per-

cent of Latinos and 43 percent of Asians envisioned an “ideal neighborhood” as one that excluded blacks entirely.

The reasons for the development of racial stigma in the United States are in large part historical. Fundamental to the processes of race-making in the United States have been the institution of chattel slavery and the associated rituals and customs that supported the master-slave hierarchy and dishonored the slave.<sup>5</sup> In the experience of the United States, slavery was a thoroughly racial institution. Therefore, the social meaning of race that emerged in American political culture was closely connected with the dishonorable status of enslavement.

Many immigrant groups—the Irish, the Chinese, the Jews—were at different times profoundly dishonored. But by virtue of their status as slaves, black Americans are exceptional in the extent to which remnants of this ignoble history are still discernible in public culture today. An honest assessment of current American politics—its debates about welfare, crime, schools, jobs, taxes, housing, test scores, diversity, and much more—reveals the lingering effects of this profound dishonor, this sense of the “social otherness” of blacks that remains yet to be fully eradicated.

Consider some basic facts about race and social intercourse in the United States. According to the 1990 Census of the Population, among married persons 25–34 years old in 1990, some 70 percent of Asian women, 39 percent of Hispanic women, but only 2 percent of black women had white Anglo husbands.<sup>6</sup> In the larger northeastern and midwestern cities, geographers find clusters of impoverished African Americans within a few miles of each other, surrounded by the richest middle class on earth.<sup>7</sup> So culturally isolated are black teenagers living in these urban ghettos that scholars find convergence in their speech patterns over great geographic distances, even as this emergent dialect grows increasingly dissimilar from the speech of poor whites living only a few miles away.<sup>8</sup> These instances give some idea of the way stigma can circumscribe opportunities for (some) blacks to develop their personal capacities, to become more integrated into society, and thus to diminish their own stigmatization.

Important political results follow from the ways citizens process social information, and the causal mechanisms they are prepared to credit. In a survey of racial stereotyping conducted by the Stanford political scientist Paul Sniderman and his colleagues, the “mere mention” of affirmative action made white respondents significantly more likely to agree with negative racial generalizations like “most blacks are lazy.”<sup>9</sup> The researchers concluded that animus to affirmative action policies was coloring respondents’ attitudes to race. To the contrary, I suggest that the ideological meanings of a contested racial policy like affirmative action are determined within a social-

cognitive matrix that is colored by racial stigma—which is to say that a similar policy with a different set of beneficiaries might not have the same ideological resonance.

In contemporary public deliberations over policy issues like welfare and crime, there is evidence of racial stigma at work. In the wake of the 1996 welfare reforms that gave states greater autonomy to set their regulations, evidence is emerging that jurisdictions with more blacks on the rolls have used their new discretion to implement more punitive revisions of their welfare regulations. They are, for example, more likely to cap benefits to mothers who have additional children while on the rolls, and to impose time limits and work requirements for beneficiaries that are stricter than the minimal federal requirement.<sup>10</sup>

Incarceration policy offers a particularly telling instance. The jails of America overflow with young black men. The number incarcerated on a given day has more than quadrupled over the past two decades, largely as a consequence of antidrug law enforcement policies.<sup>11</sup> We have huge urban neighborhoods where the norm is that young men will spend time in jail, where the entire communal life orients around institutions dedicated to the physical control of human bodies. Why is there so little public debate about so really dramatic a social fact?

A nonracial example may help us to grasp how extraordinary is this public silence. We know that there is disparity in the social outcomes for boys and girls in the schools and in the jails. Suppose that, when compared with girls, boys are overrepresented among those doing well in math and science in the schools, and also among those doing poorly in society at large by ending up in jail. There is some evidence to support both propositions, but only the first is widely perceived to be a problem for public policy. Why? Because we instinctively believe it is not right. Our baseline expectation is that equality should prevail, and when it does not, we search for a solution by examining our social practices. Gender disparity in rates of imprisonment occasions no such disquiet. That is because, tacitly if not explicitly, we think boys and girls are different in ways that are relevant to the observed disparity, either in their biological natures or their deeply in-

The ideas discussed in this article are developed at length in Glenn C. Loury, *The Anatomy of Racial Inequality* (Cambridge, MA: Harvard University Press, 2002), and further considered in Glenn C. Loury, “*The Anatomy of Racial Inequality: The Author’s Account*,” *Review of Black Political Economy*, Fall 2004, pp. 75–89.

grained socialization. In this sense, we do not perceive there to be a problem, and so we do not seek a solution.

For my purpose here, it does not matter whether either assumption is right or wrong. In both cases, the bare facts of gender disparity do not in themselves suggest any course of action. To act, we must marry the facts we observe to some model of social causation, which need not be explicit and usually will lurk beneath the surface of our conscious reflections. It is the facts *plus* the model that lead us to perceive that a given circumstance indicates some failing in our social interactions. And the converse: A given instance of social disparity is less likely to be thought a social problem when people believe the disparity is caused by the deficiencies of those who lag behind. In American society, when the group that lags behind is black, the risk is especially great that observers will fail to see the systematic interactions that lead to bad social outcomes for blacks, and will instead attribute those outcomes to factors inherent in the black community itself.

If the meaning of a policy—job preferences or incarceration—is sensitive to the race of those affected, popular support for or opposition to the policy will depend upon the explanations ordinary people are inclined to give for the racial disparities they observe. In the minds of many Americans, the tacit association of “blackness” with “unworthiness” distorts cognitive processes and makes it difficult to identify with the plight of people whom they see, mistakenly, as simply “reaping what they have sown.” In turn, this tendency to see racial disparities as a communal (group) problem rather than a societal problem encourages the reproduction of inequality through time. Absent intervention, the low social conditions of many blacks persist, the negative social meanings ascribed to blackness are reinforced, and the racially biased social-cognitive processes are reproduced.

## Racial stigma and inequality

The concept of an enduring racial stigma afflicting African Americans suggests that any successful and consistent theory of racial inequality must account for the processes that systematically block realization of their human potential. One can do so, it would appear, in only two ways. One can show that the rewards accruing to the members of a disadvantaged group, given their productivity, are lower than the rewards garnered by others (call this the *reward bias* argument). Or one can show that, owing to processes unrelated to their innate capabilities, members of the disadvantaged group lack opportunities to realize their productive potential (call this the *development bias* argument).

Both reward bias and development bias characterize the situation of African Americans in the United States. Reward bias (“racial discrimination”) in the public sphere is

a relatively straightforward, universally recognized moral problem. Almost everyone now agrees that such discrimination should be proscribed in the interest of creating a “level playing field.” (Of course, there is plenty of disagreement over just how this should be done.) Moreover, this form of discrimination against blacks has declined sharply throughout the United States over the past half-century.<sup>12</sup>

Entrenched racial disparity in developmental opportunities is, however, an intractable, often neglected moral problem that gives rise to unavoidable conflicts between cherished values and challenges settled intuitions about social justice. Only if greater attention is given to development bias can the normative challenge posed by enduring racial inequality be fully grasped and effectively met.

To see this more clearly, consider an elemental distinction between two kinds of behavior: discrimination in contract and discrimination in contact. Discrimination in contract invokes the unequal treatment of otherwise like persons on the basis of race in formal transactions—the buying and selling of goods and services, for instance, or interactions with organized bureaucracies, public and private. It is a standard means of effecting reward bias against blacks. By contrast, discrimination in contact involves discrimination on the basis of race in the informal, private spheres of life—in the associations and relationships that are formed among individuals in social life, including the choice of social intimates, neighbors, and friends.

Discrimination in contract occurs in settings over which a liberal state could, if it chose to do so, exercise review and restraint in pursuit of social justice. Thus the U.S. courts no longer enforce racially restrictive housing covenants or allow employers to advertise that “no blacks need apply.” Such discrimination is legally proscribed. In any liberal political order, however, discrimination in contact must remain an individual prerogative, for two reasons. First, the social exchanges from which such discrimination arises cut so close to the core of our being that all but the most modest intervention in this sphere must be avoided if liberty and autonomy are to have any real meaning. More fundamentally, although the ethical case against racial discrimination in formal transactions is relatively easy to make, it is far less obvious that there is anything wrong in principle with forming or avoiding close association with another person partly on the basis of racial identity.

But although discrimination in contact may not be as unambiguously objectionable as is discrimination in contract, its real-world consequences can be just as debilitating for a racially stigmatized group. This is because the mechanisms of social mobility and intergenerational status transmission in any society are sensitive to the patterns of contact, as well as the rules of contract, at work in that society. In the United States, as elsewhere around the

world, both formal and informal social relations mediate the provision of nearly all of the resources thought to be necessary for human development.

A vast body of research in the social sciences has established the central place of race in the relational structures that mediate social life in the United States: in the roles played in the shaping of persons by the family, the social network, and (using the word advisedly) the “community” and in how people come to hold the ideas they do concerning who they are (their identities), which other persons are essentially like them (their social identifications), and what goals in life are worth striving for (their ideals).

Empirical work on racial inequality has focused almost entirely on the differential treatment of individuals, on the basis of race, in formal market transactions (jobs, housing, credit, and so on). Yet it is increasingly obvious in the United States that eliminating discrimination in markets cannot be expected to lead, even in the long term, to a solution for the problem of racial economic inequality, in part because it can never ensure equality of developmental opportunity. The substantial gap in skills between blacks and whites is the result of processes of social exclusion (discrimination in contact) that deserve to be singled out for explicit study and, where possible, for policy remedy. The inner workings of development bias should be explored more fully, with the role of racial stigma in these opportunity-blocking processes made more explicit.

It is conventional for economists to see the individual as an atomized agent acting more or less independently, seeking to make the best of opportunities at hand. But in actuality, individuals are members of nuclear and extended families, belong to religious and linguistic groupings, have ethnic and racial identities, and are attached to particular localities. An individual’s location within this network of social affiliations substantially affects access to various resources. A newborn is severely handicapped if its parents are relatively uninterested in (or incapable of) fostering the youngster’s early intellectual development. A talented adolescent whose peer group disdains the activities required for that talent to flourish may not achieve full potential. An unemployed person without friends or relatives already working in a certain industry may never hear about job opportunities available there.

In earlier work, I introduced the term “social capital” to suggest a modification of the standard human capital theory in economics, providing a richer context within which to analyze racial inequality.<sup>13</sup> I formalized the observation that family and community backgrounds can play an important role, alongside factors like individual ability and human capital investments, in determining individual achievement. Some important part of racial inequality, in this view, arises from the way geographic and social segregation along racial lines, fostered by the

stigmatized status of blacks, inhibits the development of their full human potential. Because access to developmental resources is mediated through race-segregated social networks, an individual’s opportunities to acquire skills depend on present and past skill attainments by others in the same racial group.

Thus a complex web of social connections and a long train of historical influences interact to form the opportunities and shape the outlooks of individuals. Everything of importance in social life has an informal dimension. The effort, talent, and luck of an individual are crucial. But what a person achieves also results from the social background, cultural affinities, and communal associations to which he or she is heir. For some three centuries now, political, social, and economic institutions that by any measure must be seen as racially oppressive have distorted the communal experience of American blacks. The stigmatized “underclass culture” of today’s inner cities is a product of that oppressive history, perpetuated now via discrimination in contact, and engendering profound development bias. Thinking in this way, I believe, helps account for the durable racial inequality with which the United States is still encumbered. ■

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<sup>1</sup>The concept of “racial stigma” builds upon the work of sociologist Erving Goffman, who studied the problems faced by people whose social identities—the way they are viewed by others—are in some way disreputable or “spoiled.” These may be people who carry bodily marks that incline others to judge them negatively or may also be people with less visible markings who live at constant risk of being “exposed.” So for Goffman, writing in the 1960s, the blind, the deaf, the disabled, the alcoholic, the ex-mental patient, and the homosexual were stigmatized classes. E. Goffman, *Stigma: Notes on the Management of Spoiled Identity* (New York: Simon & Schuster, 1963).

<sup>2</sup>Modern genetics has shown that there are no “races” as such, and some critics such as Paul Gilroy have therefore argued that social analysts should abandon the use of racial categories. See, e.g., L. Cavalli-Sforza, *Genes, Peoples, and Languages* (New York: North Point Press, 2000); P. Gilroy, *Against Race: Imagining Political Culture Beyond the Color Line* (Cambridge, MA: Harvard University Press, 2000).

<sup>3</sup>These were identified as long ago as 1944 by Gunnar Myrdal; see G. Myrdal, *An American Dilemma: The Negro Problem and Modern Democracy* (New York: Pantheon, 1944).

<sup>4</sup>C. Charles, “Neighborhood Racial-Composition Preferences: Evidence from a Multiethnic Metropolis,” *Social Problems* 47, no. 3 (2000): 379–407.

<sup>5</sup>The implications of slavery across cultures and historical epochs are discussed by Orlando Patterson in *Slavery and Social Death* (Cambridge, MA: Harvard University Press, 1982).

<sup>6</sup>R. Farley, *The New American Reality: Who We Are, How We Got Here, Where We Are Going* (New York: Russell Sage Foundation, 1996).

<sup>7</sup>D. Massey and N. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993).

<sup>8</sup>See, for example, W. Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972).

<sup>9</sup>P. Sniderman and T. Piazza, *The Scar of Race* (Cambridge, MA: Harvard University Press, 1993).

<sup>10</sup>See, for example, J. Soss, S. Schram, T. Vartanian, and E. O'Brien, "Welfare Policy Choices in the States: Does the Hard Line Follow the Color Line?" *Focus* 23, no 1 (2004): 10–15.

<sup>11</sup>M. Tonry, *Malign Neglect: Race, Crime, and Punishment in America* (New York: Oxford University Press, 1995); and see P. Oliver, "Racial Disparities in Imprisonment: Some Basic Information," *Focus* 21, no. 3 (spring 2001): pp. 28–31: "The imprisonment rate of black American men is over eight times greater than that of European Americans. Young black men are even more severely affected. Federal statisticians at the Bureau of Justice Statistics now estimate that the 'lifetime expectancy' that a young black man will spend time in prison is about 29 percent. For Hispanics, the rate of imprisonment is about three times higher than that of European Americans."

<sup>12</sup>In so saying, I do not mean to suggest that conventional efforts to combat discrimination should be suspended. The evidence of continuing racial unfairness in day-to-day social intercourse in this country is quite impressive.

<sup>13</sup>See, for example, G. Loury, "A Dynamic Theory of Racial Income Differences," in *Women, Minorities, and Employment Discrimination*, ed. P. Wallace and A. Lamond (Lexington, MA: Lexington Books, 1977).

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# Neighborhood stigma and the perception of disorder

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In urban sociology and criminology, few ideas have been more influential than the theory of “broken windows” first explicitly laid out by James Wilson and George Kelling. According to the theory, minor forms of public disorder, if unchecked, lead to a downward spiral of urban decay and crime:

[A]t the community level, disorder and crime are usually inextricably linked, in a kind of developmental sequence. . . .

A stable neighborhood of families who care for their homes, mind each other’s children, and confidently frown on unwanted intruders can change, in a few years or even a few months, to an inhospitable and frightening jungle. A piece of property is abandoned, weeds grow up, a window is smashed. Adults stop scolding rowdy children; the children, emboldened, become more rowdy. Families move out, unattached adults move in. Teenagers gather in front of the corner store. The merchant asks them to move; they refuse. Fights occur. Litter accumulates. People start drinking in front of the grocery; in time, an inebriate slumps to the sidewalk and is allowed to sleep it off. Pedestrians are approached by panhandlers.

At this point it is not inevitable that serious crime will flourish or violent attacks on strangers will occur. But many residents will think that crime, especially violent crime, is on the rise, and they will modify their behavior accordingly.<sup>1</sup>

This concept has also penetrated social psychology; neighborhood disorder has been linked to declines in individual health and well-being. By these accounts, residents read signs of disorder as evidence of a deeper neighborhood malaise; as a consequence, the incidence of physical ailments, depression, psychological stress, and perceived powerlessness rises.<sup>2</sup>

Both the “broken windows” theory and the health and social psychological literature assume that the visual cues of disorder are unambiguous and that residents’ perceptions of disorder map neatly with the presence of garbage, graffiti, abandoned cars, and drug paraphernalia. Objec-

tive cues are certainly salient in the perception that a neighborhood is “disorderly.” But so too, we argue, are cultural stereotypes about disorder in American society. In the research summarized in this article we set aside the usual questions about whether disorder is linked to crime or poor health. Instead we examine what predicts individuals’ perceptions that disorder, defined in the manner of “broken windows,” is a problem. Drawing on independent sets of linked data, we examine how the racial, ethnic, and socioeconomic structure of neighborhoods shapes perceptions of disorder above and beyond what people see in the streets.<sup>3</sup>

## Neighborhood racial stigma

Many Americans hold persistent beliefs linking blacks and other disadvantaged minority groups to social images, including crime, violence, disorder, welfare, and undesirability as neighbors.<sup>4</sup> These beliefs are reinforced by the historical association of involuntary racial segregation with concentrated poverty—in turn linked to institutional disinvestments and neighborhood decline. Stereotypes about race, poverty, and disorder may loom especially large when residents have uncertain or ambiguous information about the neighborhood as a whole. In poor neighborhoods, many activities that in better-off neighborhoods occur in private (e.g., drinking or hanging out) necessarily take place in public. The resulting social structure of public places reinforces the assumption that disorder is a problem mainly in poor, African American communities. This stereotype may lead to actions by members of the stigmatized group that seem to confirm the statistical association between race and social disorder. If more affluent residents, unconsciously or not, use a neighborhood’s racial composition as a gauge of the level and seriousness of disorder, they may disinvest or move out, reinforcing the mechanisms that link race and disorder. Race in American society is, therefore, a statistical marker that stigmatizes not only individuals but the places in which they are concentrated. (See the article on racial stigma by Glenn Loury, in this *Focus*.)

The persistence of racial stereotyping does not necessarily mean that people are personally hostile to those of another race. Cultural stereotypes operate beneath the radar screen; they can persist even in individuals who consciously reject prejudice toward blacks. In a compelling demonstration of the power of such stereotypes, researchers examined the effect of race on shoot/don’t shoot decisions in scenarios where subjects were told to shoot armed targets and not to shoot unarmed targets. Both black and white participants made the correct deci-

sion to shoot an armed target more quickly if the target was black than if he was white. This finding underscores the potentially far-reaching consequences of statistical discrimination: the decision to shoot an ambiguously threatening target is influenced by the stigma of violence and danger associated with African Americans. Blacks are unlikely to be racially prejudiced against their own ethnic group, but they are exposed to dominant cultural stereotypes.<sup>5</sup>

## The methodological approach

To test our general proposition that perceptions of neighborhood disorder are socially constructed, and that they are shaped by much more than actual levels of disorder, we combined census and police data on selected Chicago neighborhoods with personal interviews with residents and other frequenters of the neighborhoods and with systematic social observation of neighborhood streets. We reasoned that if the perception of disorder is governed by actual, observed levels of disorder, we should find that residents in any given neighborhood are largely in agreement on perceived disorder *within* that neighborhood. Their views of disorder in the neighborhood would not, for example, systematically vary by social class. Most important, we should find few if any variations in perceived disorder *between* neighborhoods that are linked to social structure, after objectively defined and systematically observed disorder is accounted for.

To the extent that the perception of disorder is socially constructed, we expected to find that neighborhood racial, ethnic, and class composition would predict perceptions of neighborhood disorder. We did, of course, expect residents' perceptions to be based partly on obvious indicators such as trash, graffiti, abandoned cars and buildings, or the presence of loitering, drunken, or hostile adults. But our prediction should hold good even after we made adjustment for observed disorder, which we systematically measured using video cameras and trained observers. Because race in particular is easily observed and carries powerful stereotypes, we expected that racial composition would loom relatively large in people's reporting of disorder; for some respondents, the social context of the neighborhood might trump actual observed disorder.

If race turned out to be a powerful indicator of disorder in people's minds, we had a follow-up question: Does the perception of disorder reflect pure racial prejudice rather than statistical discrimination—racial stigma in the way that Glenn Loury describes it?

If the perception of disorder is based on prejudice against African Americans, it is likely to affect the perceptions of whites, Latinos, and Asians more strongly than the perceptions of blacks. Thus nonblacks might be expected to report more disorder in predominately black neighbor-

hoods, overlooking similar levels of disorder in nonblack neighborhoods. But the notions of stigma and statistical discrimination suggest that if there is an association between racial composition and perceived disorder, it ought to be independent of the race or ethnicity of the observer (consider, for example, the black citizen who crosses the street when walking late at night to avoid a group of approaching young black males).

## The sources of data

### Survey data

Our first source was a neighborhood survey of Chicago residents living in some 500 block groups within Chicago census tracts, conducted in 1995. Census block groups average about 1,300 residents, compared to about 4,000 for the average tract, and appear to well reflect the layout of pedestrian streets and patterns of social interaction. We interviewed over 3,500 randomly chosen adult residents within households selected according to a multi-stage probability sample. Perceptions of disorder were measured from six questions that asked about physical disorder (e.g., litter, graffiti, vacant housing) and about social disorder (e.g., public drinking, fighting, drug-dealing). Residents were asked: "Are these a big problem? Somewhat of a problem? Not a problem?" From these questions we constructed scales of disorder at the level of the individual and block group.

From the neighborhood survey we also selected a set of personal demographic or background characteristics that we believed might influence perceptions of disorder. (See Table 1.) A key concern was race or ethnicity, and we included a composite measure of socioeconomic status that took into account education, income, and occupational prestige.

### Systematic social observation

By "systematic" we mean that observation and recording were conducted according to explicit rules that would allow others to replicate the observations. During the time that the community survey was conducted, observers very slowly drove a vehicle down every street within the sample of almost 500 block groups. While a pair of video recorders captured social activities and physical features on both sides, trained observers simultaneously recorded observations in a log. Blocks were observed randomly and videotaped at any time from 7 a.m. to 7 p.m. A random subsample of these videotapes was then viewed and coded, again by trained observers.

As with the survey, we looked for signs of both physical and social disorder, but we had access to a much richer body of evidence than was available in the survey questions. Using these techniques we were able, for example, to examine the separate contribution of the density of liquor stores and bars and the physical decay that can



**Table 1**  
**Basic Demographic and Neighborhood Data**

Survey Respondents (N=3,585)	
<b>Characteristics</b>	
Female	58%
Married	38%
Separated/divorced	17%
Single	31%
Homeowner	43%
Black	34%
Latino	33%
Other	7%
Avg. Age	41.8 yrs
Avg. no. of residential moves in last 5 years	1
Unemployed/not in labor force	40%
Avg. SES scale <sup>a</sup>	-0.9
<b>Perceptions of Disorder<sup>b</sup></b>	
Litter/trash	28%
Graffiti	20%
Vacant houses	13%
Public drinking	25%
Selling drugs	30%
Group loitering	27%
<b>Neighborhood Block Groups (N=478)<sup>c</sup></b>	
Avg. population density/sq. kilometer	7,452
% Families in poverty	21%
% Black	36%
% Latino	26%
Avg. of (ln) violent crimes per/100,000 <sup>d</sup>	8.61

**Notes:** The left-out category for ethnicity is white, and for marital status it is widowed.

<sup>a</sup>Standardized scale of income, education, and occupational prestige.

<sup>b</sup>Proportion of respondents who perceive the disorder item to be a "big problem."

<sup>c</sup>Data from 1990 Census.

<sup>d</sup>From police reports.

arise from institutional disinvestments, signalled by vacant or badly deteriorated housing, burned, boarded up, or abandoned commercial buildings, and deteriorated recreational facilities.

### Block group data

For the block groups in our study we collected information from the 1990 census that were likely to have bearing on perceptions of disorder: the proportion of the families in poverty, population size and density, and the proportion black and Latino. From the police records of violent offenses such as robbery, homicide, rape, or aggravated assault, we constructed a log rate of violent crime in each block group.

## The predictors of disorder

### Individual characteristics

Although we focused mainly on variations in the perception of disorder among neighborhoods, we thought it important first to clarify how the personal characteristics of

observers affected their perceptions of disorder within the same neighborhood. Our results showed that older residents perceived less disorder than did younger residents, residents who were separated or divorced perceived more disorder than did the widowed, and women tended to perceive more disorder than did men. We found no relationship between perceptions of disorder and employment, socioeconomic status, mobility, and homeownership. Most relevant and most evident were the effects of ethnicity: blacks perceived significantly less disorder than did whites living in the same block group. So too did Latinos and other races (mainly Asians).

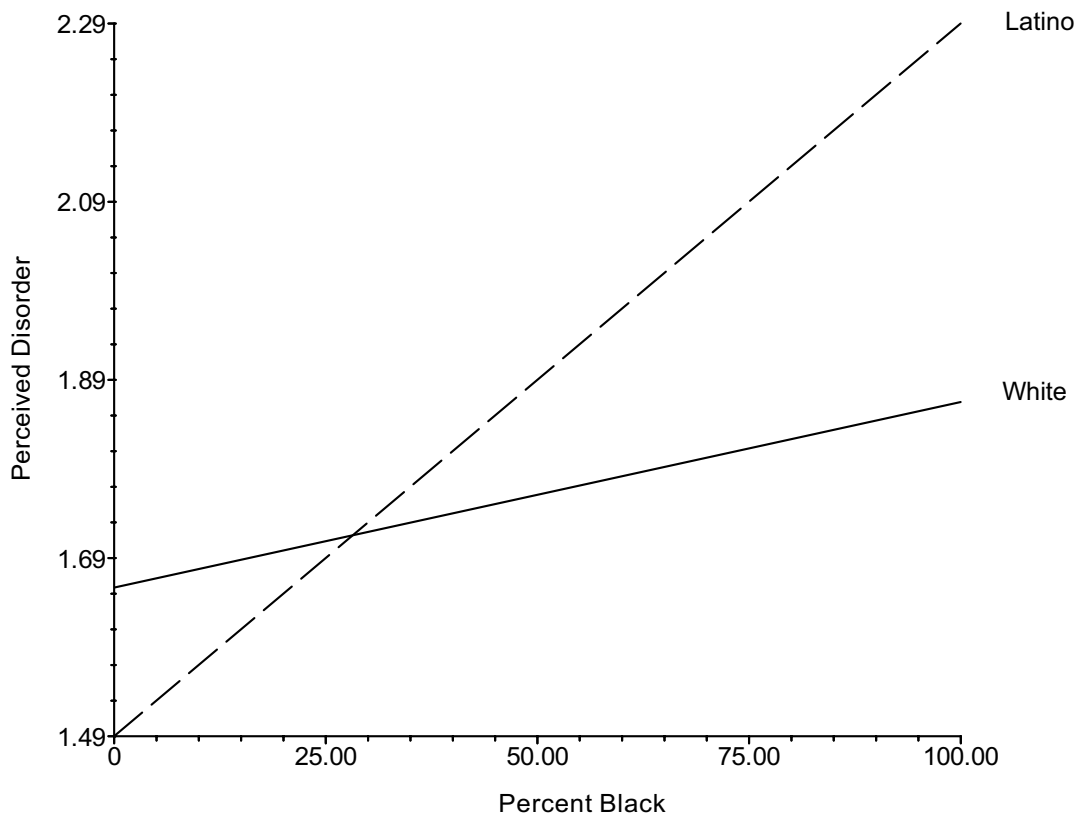
This pattern makes sense if blacks and other minorities have been exposed to more disorder in the past; such exposure influences the threshold at which one begins to perceive a problem. In the segregated and racialized city of Chicago, for example, a white person living in an all-white area would expect to see, on average, relatively small amounts of disorder. A black living in an all-black area, however, would expect to see more disorder. The two groups judge disorder by norms that have been generated in past, segregated environments, underscoring the fact that perceived disorder reflects more than meets the eye.

### Neighborhood characteristics

We estimated three models of neighborhood characteristics. We began with measures derived from our systematic observations of the neighborhoods; these gave clear evidence that what people actually saw predicted how much disorder they perceived. Between them, observed physical and social disorder accounted for 73 percent of the variation in how much disorder residents perceived at the neighborhood level.

In our second model we again used our systematic observations, adding indicators of the physical aspects of public space, such as the number of bars and liquor stores and the kinds of security measures for commercial buildings. We again found a positive and statistically significant relationship between physical decay and perceptions of disorder.

In our third model we added neighborhood ethnic and social composition, to test our main thesis. After taking into account observed disorder and individual predictors, we found that neighborhood social and ethnic composition were powerfully linked to perceptions of disorder. In particular, concentrated poverty, the proportion of blacks, and the proportion of Latinos in a neighborhood were related positively and significantly to perceived disorder. Moreover, when we adjusted for the racial context of a neighborhood, we found that the apparently strong links between systematically observed disorder and residents' perceptions of disorder were greatly weakened. In statistical terms, the coefficient for a relationship between observed physical disorder and residents' percep-



**Figure 1. Cross-level ethnicity interaction in predicting perceived disorder.**

Source: R. Sampson and S. Raudenbush, "Seeing Disorder: Neighborhood Stigma and the Social Construction of 'Broken Windows,'" *Social Psychology Quarterly* 67, no. 4 (2004): 333.

tions disappeared entirely, and that for a relationship between social disorder and perceptions was only half the size. Thus much of the variation in levels of disorder that appeared to be explained by what residents saw was spurious; their perceptions were heavily influenced by the racial and class composition of the neighborhood.

### Race and the perception of disorder

Our findings to this point support the hypothesis that neighborhood racial context helps shape residents' perceptions of disorder. In general, as we noted, black residents reported lower levels of disorder than white residents for the same neighborhood. As the percentage of black residents in a neighborhood increased, we found, so too did perceptions of disorder by residents in each ethnic group, including blacks. This was especially true for Latinos. In neighborhoods that were less than 25 percent black, whites and Latinos essentially did not differ in their perceptions of disorder. But at the point at which a quarter of the neighborhood's residents were black (this proportion appears from other research to be a critical threshold), Latinos began to diverge sharply from whites in their views of disorder. When neighborhoods reached 75 percent black or more, Latinos perceived significantly more disorder than did whites (these changing relationships are depicted in Figure 1).

What to make of this last finding? Glenn Loury offers a plausible explanation: new or recent immigrants are made acutely aware of racial stratification in the United States, but lack the experience to accurately appraise the relationship between race and disorder. In Chicago, Latinos are disproportionately of Mexican origin, and many are recent immigrants. Latino immigrants may therefore draw too heavily on the presence of blacks as a proxy for disorder.

### From the outside looking in

Might residents have brought insider knowledge to their assessment of neighborhood disorder that our cameras and observers could not hope to capture? As a test we took advantage of an extensive survey of Chicago community leaders carried out in 2002, drawing a sample of 725 individuals who lived outside the communities we were studying but who had some institutional or official responsibility within them—that is, they held positions in business, educational, religious, political, law enforcement, and community organizations. We were thus able to match the perceptions of prominent outsiders with those of residents and with our systematic observations of disorder. In the leaders' survey, respondents were asked the

same set of questions about disorder as were the residents. Because of the relatively small sample, our analysis focused simply on the interrelationship between racial/ethnic composition and disorder.

We followed the same procedure described above: estimating three models for predictors of disorder. We began with our systematic observations, added residents' perceptions, and then added racial context. We found that (1) leaders, like residents, perceived disorder to be more of a problem when observed disorder was greater; and (2) when residents perceived more disorder, so too did community leaders; this is not surprising, because complaints to officials about community disorder are a major part of local discourse with government in Chicago. When we added (3) racial composition to the model (controlling for observed disorder and residents' perceived disorder) we addressed the influence of race on perceptions of "outsiders" and thus the possibility that residents possess special knowledge that we missed. We found that the percentage of black residents and to a lesser extent of Latino residents both predicted the leaders' perceptions of disorder. The effects for the presence of blacks in particular suggest a durable and generally powerful role for racial context: whether one is looking at residents or leaders, perceptions appear to be shaped by the racial composition of the community.

### **Conclusion: The social roots of perceived disorder**

In shaping perceptions of disorder, residents and community outsiders clearly draw upon what they actually observe in the streets. But social structure is also a powerful predictor of disorder. Observers supplement what they see with beliefs or assumptions informed by the racial

stigmatization of modern urban ghettos, in which geographically segregated minority groups were linked with poverty, economic disinvestment, and visible signs of disorder. Because people act on their perceptions of disorder, the consequence is a self-fulfilling prophecy whereby all actors (not only white residents) are likely to disinvest in or move away from black or mixed areas they view as at high risk of disorder. In this light, attempts to improve urban neighborhoods by reducing visible disorder—cleaning streets and sidewalks, painting over graffiti, removing abandoned cars, reducing public drinking, prostitution, or drug dealing—may produce many positive results, but may have only limited payoffs in neighborhoods inhabited by large numbers of ethnic minority and poor people. Perceived disorder clearly matters for reasons that extend far beyond the mere presence of broken windows. ■

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<sup>1</sup>J. Wilson and G. Kelling, "Broken Windows: The Police and Neighborhood Safety," *Atlantic Monthly*, March 1982.

<sup>2</sup>See, for example, G. Kelling and K. Coles, *Fixing Broken Windows: Restoring Order and Reducing Crime in Our Communities* (New York: Free Press, 1996); K. Geis and C. Ross, "A New Look at Urban Alienation: The Effect of Neighborhood Disorder on Perceived Powerlessness," *Social Psychology Quarterly* 61, no. 3 (1998): 232–46.

<sup>3</sup>The research summarized in this *Focus* article is discussed at length in R. Sampson and S. Raudenbush, "Seeing Disorder: Neighborhood Stigma and the Social Construction of 'Broken Windows,'" *Social Psychology Quarterly* 67, no. 4 (2004): 319–42.

<sup>4</sup>L. Quillian and D. Pager, "Black Neighbors, Higher Crime? The Role of Racial Stereotypes in Evaluations of Neighborhood Crime," *American Journal of Sociology* 107 (2001): 717–67.

<sup>5</sup>J. Correll, B. Park, C. Judd, and B. Wittenbrink, "The Police Officer's Dilemma: Using Ethnicity to Disambiguate Potentially Threatening Individuals," *Journal of Personality and Social Psychology* 83 (2002): 1314–29.

# Inequality in children's school readiness and public funding

Katherine Magnuson, Marcia K. Meyers, Christopher J. Ruhm, and Jane Waldfogel

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“By the year 2000, all children should enter school ready to learn. . . All children will have access to high-quality and developmentally appropriate preschool programs that help prepare children for school.”

National Education Goals Panel, Goal 1  
(February 1990).<sup>1</sup>

In the decade after the Bush Administration and all 50 state governors made this explicit commitment, funding for early childhood programs expanded dramatically. Federal funding for Head Start, the single largest early education program, increased by over 250 percent; in 2000, it totaled nearly \$5.3 billion. State and federal funding for child care subsidies for low-income families rose from \$1.7 billion to \$9.5 billion. Over \$7 billion of this amount was provided by the federal government, more than half of it going toward center-based child care.

In addressing income-based disparities in children's school readiness, the federal government has pursued two parallel policy tracks. On the one hand, it has funded compensatory early education programs explicitly designed to reduce inequality in early education; the largest such program is Head Start. On the other, it has subsidized child care costs for families with low incomes; these subsidies are delivered primarily through two block grants, the Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF).<sup>2</sup> States have supplemented these federal funds to differing degrees.

There are still many questions about children's preschool experiences and the rise in public preschool funding. Has the substantial expansion of public funding made inroads

into the disparities in preschool enrollment? How good are the various types of programs—are some forms of preschool higher in quality than others? How effective are they in remedying disadvantage—do poor children who attend preschool programs really enter school better prepared to learn? Do any advantages of preschool experience fade over time?

In the research reported here, we examined these and related questions, exploring both the expansion in preschool attendance and its consequences, especially for disadvantaged children, and the effects of the increased outlays on early childhood education and child care over the 1990s.<sup>3</sup> We drew on enrollment data from the Current Population Survey (CPS) and the newly available Early Childhood Longitudinal Study—Kindergarten Class of 1998–99 (ECLS-K). The ECLS-K collected information on school performance, in particular assessing reading ability and math skills for a large, nationally representative sample of children who entered kindergarten in fall 1998. It also assembled a rich array of family, school, preschool, and local and regional information.

In our research, we considered several different kinds of formal preschool.<sup>4</sup> *Prekindergarten programs* provide a year or two of education, funded by public school systems, before children enter kindergarten. In 2000, 39 states had prekindergarten initiatives, although state prekindergarten spending was extremely variable. In 2002, approximately \$2.9 billion in state funding was available, and about 14 percent of 4-year-olds nationwide were enrolled in such programs, which usually consist of part-day programs located within public schools. With the exception of a few states that have universal prekindergarten programs, all such early programs are specifically targeted to children “at risk” of educational difficulty because of poverty, limited English proficiency, or a disability.<sup>5</sup>

*Head Start* programs serve primarily 3- and 4-year-olds from economically disadvantaged families; the programs are required to maintain a comprehensive focus including health and nutrition programming, social services, and parent involvement. Head Start funding is disbursed directly to about 1,500 private and public not-for-profit organizations, which served nearly 860,000 children in 2000—about 12 percent of children nationwide and only slightly more than half of those eligible.<sup>6</sup> The vast majority of programs used to operate part time and part year but

as more poor mothers enter the workforce many programs are expanding to provide full-day services.

The primary purpose of traditional *preschools* and *nursery schools* is to provide early educational experiences to 3- and 4-year-olds. These programs are often part-day or part-week, though, like Head Start, many now serve children of working parents for longer hours and provide wraparound child care. They thus overlap with *center-based child care programs*, which are typically available 9–10 hours a day, 5 days a week, and may serve children of all ages. These types of programs are usually privately funded for-profit or not-for-profit programs that charge a fee. The CCDF and TANF block grants can be used to subsidize care in center-based child care programs for low-income children, through direct contracts with private providers or, more commonly, reimbursements for services provided to individual children. An estimated 15 to 20 percent of families who are income-eligible under federal rules receive subsidies in most states and the share of these families who use center-based care varies widely by state.

### **Public funding of preschool programs and the enrollment of disadvantaged children**

Over the last three decades the changes in preschool attendance have been, if anything, even more dramatic than the changes in public funding. In 2001, for example, 39 percent of 3-year-olds and 66 percent of 4-year-olds were enrolled in a center-care or preschool program, up from 8 and 23 percent, respectively, in 1970.<sup>7</sup> Nonetheless, there remained large and persisting gaps between the enrollment of advantaged and disadvantaged children in preschool; poor children were much less likely to attend. In 1993 the National Household Educational Survey found a difference of 11 percentage points between poor and nonpoor children's preschool attendance.

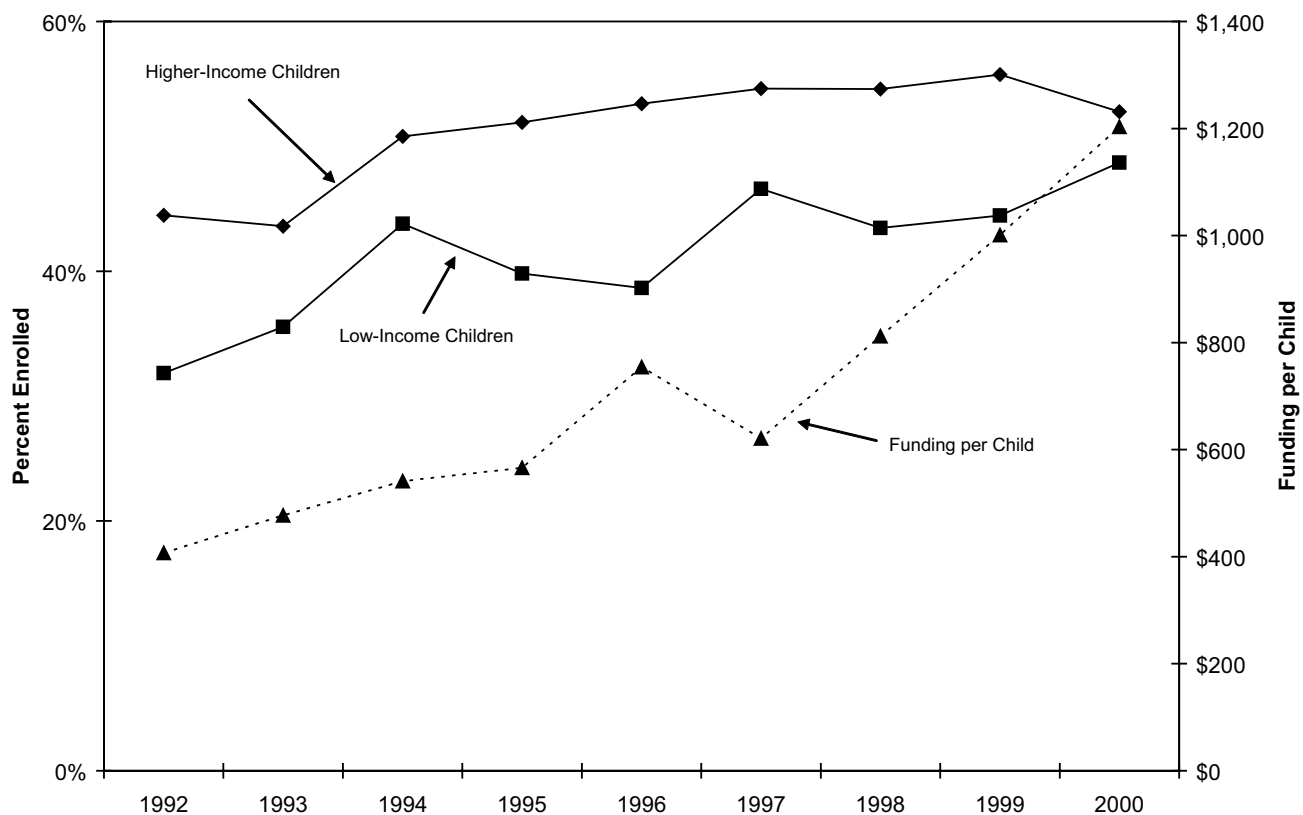
Race, ethnicity, income, and parental education are all closely linked to the likelihood that a child will be enrolled in preschool. One major source of the persisting disparities in preprimary enrollment is without question the cost of such services. With the cost of full-time private preschool or center-based care averaging between \$4,000 and \$6,000 a year in the late 1990s, early education or formal child care arrangements are prohibitively expensive for many low-income families; such costs could represent as much as a quarter of total household income. And the choice of preschool care is not merely a matter of preference. Evidence suggests that, all else equal, many families would prefer to use more formal care arrangements. If family income rises, or the cost of care drops, families tend to substitute more formal types of center and family child care for informal arrangements.<sup>8</sup> One study has found that the use of center-based care by low-income single mothers rises by about a third when care is subsidized.<sup>9</sup>

Given continuing disparities in attendance, has increased public funding made a difference? The expansion of compensatory education programs such as Head Start is likely to have the most direct effect on enrollment disparities by expanding the supply of low-cost or free preschool slots. Program enhancements within Head Start, including the expansion from part- to full-day services in many programs, may, however, have diluted the effect of funding increases on participation rates. The effects of block grant subsidies are less clear. States are required to support parental choice of care arrangements, which would be expected to increase parents' demand for and use of preschool-like arrangements. This increase may be diluted, however, by state policies that inhibit or discourage the use of subsidies for these programs. Low reimbursement rates may create disincentives for private preschool programs to accept subsidies; high copayments may steer parents away from more expensive preschool programs; and requirements for establishing and maintaining eligibility may make the use of preschool programs difficult for subsidy recipients.

In trying to estimate the effects of increased funding on preschool enrollments, we must bear in mind two other factors. First, are the new low- or no-cost alternatives supplementing or substituting for existing arrangements? If low-income parents were entirely priced out of preschool or center-based care, the new subsidies may enable them to shift from informal child care to more formal types of care. But if the availability of funding merely enables parents to shift children out of existing preschools or centers into subsidized alternatives, there is no net gain in preschool enrollment. Second is the question of secular trends in enrollment among all groups. If early education enrollment is rising even faster among higher-income groups than among children from low-income families, income-related disparities in enrollment may not change noticeably.

Our analysis made use of microdata for a sample of nearly 24,000 children from the October Current Population Survey (CPS) for 1992 to 2000. The survey annually includes an education module that tracks school attendance among 3- and 4-year-olds. The CPS also includes extensive information on characteristics of children and families that may affect preschool attendance. We supplemented CPS data with state-level information on Head Start and child care expenditures and on demographic, political, and policy measures. Because large changes in welfare policies in the 1990s were designed to promote employment among low-income parents, we included measures of the central features of these changes. The results for a single sample—albeit a large one—cannot necessarily be generalized to all U.S. preschoolers. Nevertheless, the sample is drawn primarily from the large states in which most children live.

For this sample of children, total federal funding for early education and child care nearly tripled during the 1990s



**Figure 1. Average early-education enrollment of 3- and 4-year-old children, 1991–2000.** Low-income children are defined as those in the bottom 25 percent of family incomes; higher-income children are those with families in the upper 75 percent of incomes. Funding is calculated as amount per poor child under age 13.

Source: October CPS data, 1991–2000.

(Figure 1). Before 1996, funding for both compensatory education and child care subsidies increased at a roughly similar rate; thereafter, funding for child care outstripped that for compensatory education. In 1992, subsidy funding accounted for about half of total funding; in 2000, it was over two-thirds of the total (\$815 per poor child under age 13 for subsidies versus \$388 for compensatory education).

Although low-income children in 2000 were still less likely than their higher-income peers to attend early education, the increases in their enrollment over the decade were larger, showing gains of about 16 percentage points, compared with 8 percentage points for higher-income children (Figure 1). But to what extent did public funding play a role in that increase? To answer this question we turned to a series of multivariate regressions for both the full sample of children and for subgroups defined by income and a variety of demographic characteristics.

Our first set of estimates, for the entire sample of children, suggested that there was little relationship between public funding for early education and care and overall increases in enrollment. Several characteristics of the child and family mattered, such as mothers' educational

attainment and employment status, as has been consistently the case in prior research.

The picture changed when we conducted separate analyses for low- and higher-income children. Public early education and care funding demonstrated a significant role in the enrollment of low-income children. We estimated that an additional \$100 of public expenditure per poor child under age 13 increased the early education enrollment rate among poor children by 1 percentage point from an average base rate of 41 percent. Given an increase in funding of about \$800 over this decade, our model estimates suggest that public funding accounted for between 8 and 11 percentage points of the 16-percentage-point enrollment gain. In contrast, public funding had no effect on the enrollment of higher-income children.

Did the effects of Head Start funding differ from those of child care subsidies? We considered both types of funding separately for low-income children. Child care subsidies, which included welfare and CCDF money, mirrored our results for total child care funding—hardly surprising, since these subsidies formed the bulk of all funding for early education programs over the decade. Head Start eligibility is restricted to children with family income

below the poverty line, so we limited our sample to children in the bottom 13 percent of the income distribution—approximately the equivalent of families below the poverty line. We found that the Head Start funding was significantly associated with increases in early education enrollment.

The effects of funding also differed over time. Effects on preschool enrollment were greater between 1992 and 1996 than they were thereafter; examining only the period 1992 to 1997, we found that an additional \$100 in funding would have resulted in more than a 3-percentage-point increase in enrollment. This difference remained whether we considered all funding or subsidies only, so the answer cannot lie in the faster growth of subsidies relative to compensatory education from 1997 on. Perhaps an explanation is to be found in changes in child care markets or state administrative practices in the late 1990s. Increased emphasis on the rapid employment of welfare recipients may have increased families' need for—and welfare agencies' encouragement of—informal child care arrangements that were more readily available and less expensive for parents leaving welfare.

Is an increase of 8 to 11 percentage points a large effect, considering that available public funding during this time increased by over 300 percent for poor children under the age of 13? The answer is not straightforward. First, parents take into account many other issues besides price when making child care decisions—convenience, accessibility, and safety, consonance with work schedules and values. Increasing rates of employment during this time, especially among low-income mothers, may have made preschool more attractive to some parents, less attractive to others, depending on their circumstances. Second, over half the funding and much of the growth in funding during this period came in the form of unconstrained child care subsidies, rather than money specifically designated for early education. Finally, the overall amount of spending per poor child was still well below the cost of full-time center-based care or preschool. Indeed, with an average allocation of \$1,200 per poor child even after funding increases in the 1990s, only a fraction of poor children would have had access to such care.

It seems clear from our findings that the disparities in preschool enrollment between low- and higher-income children would have been larger if public funding had not increased during the 1990s. Further expansions are likely to shrink the disparities even more. But the structure of funding matters. Unconstrained subsidies allow parents the greatest degree of choice in selecting child care arrangements. But are they a weaker tool for reducing disparities than investments directed specifically toward expanding the supply of free or affordable early education services?

The answer depends in part on the quality of the programs children attend and the benefits children gain from their preschool experiences.

## **The quality of preschool experiences**

How good are the various types of preschool? One way to judge the quality of an early childhood program is by measuring the structural components associated with higher-quality caregiving—child-staff ratios, class sizes, and caregiver education. By these criteria, most state prekindergarten programs appear to provide relatively high-quality care. For example, 86 percent of school-based prekindergarten teachers had a four-year college degree, more than twice the rate of college degrees among center-based child care workers. Head Start programs are required to undergo a federal quality review at least once every three years; 85 percent of reviewed centers met the standards of adequate care in 2000, but low pay and low levels of provider education may constrain the quality of the programs.

Preschools and child care centers are not regulated by the federal government, and state regulations vary greatly in their stringency and enforcement. Moreover, child care subsidies may be used to offset a variety of child care and early education arrangements because their primary goal is to support the employment of low-income parents. If state program operators want to stretch available dollars to cover as many recipients as possible, they may encourage families to use less expensive types of care or may set reimbursement rates lower than preschool fees. It is thus not clear that increases in child care subsidies will translate into increases in preschool enrollment or will improve the quality of center-based care. Indeed, an examination of the structural features of center-based care suggested that their quality was, on average, mediocre. A direct assessment of child care centers by the Cost, Quality, and Child Outcomes Study in 1993 found that only 24 percent provided good or developmentally appropriate care, while rating 10 percent as poor.<sup>10</sup>

## **Does preschool improve school preparation and performance?**

Experimental programs, most of them small in scale and very intensive, have confirmed the importance of early childhood education in raising children's school readiness, though there has been much debate over the persistence of early effects.<sup>11</sup> Yet a decade after the government established its educational goals, the enrollment of children from disadvantaged families in early education programs and center-based care is still far lower than that of

**Table 1**  
**Some Characteristics of Children in the ECLS-K Study, by Primary Child Care Arrangement in Year Before Kindergarten**

Child's Characteristics	All Children (N = 12,804)	Parental Care (N = 2,124)	Other Nonparental Care (N = 1,525)	Head Start (N = 1,395)	Center-Based Care (N = 7,760)
Black (%)	15	11	13	41	12
Hispanic (%)	12	16	15	15	10
Asian (%)	4	5	5	23	4
Family Income-to-Needs Ratio <sup>a</sup>	3.28	2.41	2.87	1.26	3.93
Single-Parent Household (%)	19	14	25	37	17

**Source:** K. Magnuson, M. Meyers, C. Ruhm, and J. Waldfogel, "Inequality in Preschool Education and School Readiness," *American Educational Research Journal* 41, no. 1 (2004): 115–57.

<sup>a</sup>A family living below the poverty line is defined as having an income-to-needs ratio of less than one.

children from more affluent families. As Figure 1 shows, income matters; children in families with incomes below the poverty line have consistently been far less likely to be in any kind of center-based care than more affluent children. Parents' education matters also; children whose mothers did not complete high school, for example, were half as likely to be in center-based care as those whose mothers had a college degree.

Children from low-income families are precisely those for whom preschool might offer an important academic advantage. Early in life, responsive and cognitively stimulating care fosters the language and cognitive skills that make learning come more easily. Economically struggling families may be limited in the types and quality of learning experiences they can provide their children, and these children lag in acquiring the skills necessary for school achievement. As one consequence, close to 40 percent of the association between poverty and young children's lower academic performance is explained by the lower quality of home learning environments, particularly for language. One study estimated that by the age of 3, children in families receiving welfare had vocabularies only half as large as those of more affluent children.<sup>12</sup> Absent any preparation, therefore, children from poor families enter school with fewer academic skills than more advantaged peers (although no less enthusiasm for learning), and the substantial gaps in academic competency and achievement persist into higher grades.

We examined the effects of preschool programs in a set of papers drawing on about 13,000 children who entered kindergarten in the fall of 1998, when they were on average 5 years and 7 months old (Table 1). Among these children, about 61 percent had attended preschool (including 17 percent of the sample who attended prekindergarten), and 11 percent Head Start; 12 percent had some other type of nonparental care, and 17 percent had parental care only (not shown in table). Our analyses took into account many demographic, personal, and family characteristics, such as the child's health status at birth, parental education, family structure and size,

ethnicity, and language spoken at home. We incorporated a diverse set of measures of home and family resources and parenting practices—books and computers in the home, parents' interactions with and expectations for the children. Our information about early child care and about the home environment came from parent surveys. In our analyses we distinguished between preschool (including prekindergarten and center-based child care) and Head Start, and focused primarily on the effects of typical preschools.<sup>13</sup> We also included measures of the academic environment in the school and neighborhood quality. Regression analysis was used to estimate the effects of preschool both for the entire group and for different subgroups defined by income, parental education, and the kind of preschool attended.

Our measures of children's math and reading skills were derived from the ECLS-K assessments carried out during the fall of kindergarten and the spring of first grade. Our most complete model, which takes into account the many family and neighborhood conditions noted above, showed that, over all, preschool attendance increased children's academic school readiness. Children who attended preschool performed significantly better in both math and reading in the fall of their kindergarten year, compared to children cared for only by their parents before kindergarten. The magnitude of the effects is such that attending preschool rather than parental care would move the average child at the 50<sup>th</sup> percentile to the 54<sup>th</sup> percentile on reading, and the effects on math skills were of a similar size.

Preschools and many center-based programs provide a curriculum designed to enhance school readiness. The differences in quality noted earlier suggest that the benefits of these other forms of preschool may be smaller than those of prekindergarten. In our analyses, prekindergarten yielded consistently larger benefits than other forms of preschool, though children who attended any kind of preschool performed significantly better than children who were in parental care only.



**Table 2**  
**Preschool Enrollment and Children's School Performance over the First Two Years of School (OLS Estimates)**

Year Before	Full Sample (N= 10,224)		Children of Parents with Low Education or in Poverty (N=2,328)		Children of Welfare Recipients (N=1,033)	
	Reading	Externalizing Behavior	Reading	Externalizing Behavior	Reading	Externalizing Behavior
Fall of Kindergarten						
Prekindergarten	1.82**	1.88**	2.37**	2.40**	2.80**	1.69
Preschool	1.16**	1.38**	1.47**	1.90**	1.51*	0.46
Spring of First Grade						
Prekindergarten	0.27	2.13**	0.62	2.76**	1.88	4.15**
Preschool	0.18	1.42**	0.34	1.96**	0.31	0.59

**Source:** K. Magnuson, C. Ruhm, and J. Waldfogel, "Does Prekindergarten Improve School Preparation and Performance?" NBER Working Paper 10452, April 2004 (revised September 2005). Coefficients estimated the effects of attending prekindergarten and preschool in the year prior to kindergarten compared with only receiving parental care.

p-value: \*<.05; \*\*<.01

There is some evidence that early academic advantages associated with preschool fade over the first two years or so of elementary school. To address this issue, we assessed children's academic performance and behavior in the spring of first grade (that is, in 2000 for children who entered kindergarten in fall 1998). Compared to the results at school entry, the positive effects of preschool on academic performance were much reduced by the spring of first grade; we estimate that 60–80 percent of the cognitive gains associated with attending preschool and prekindergarten had dissipated by that point.

### Preschool programs and disadvantaged children

Previous research has found that early education programs have larger effects for children from economically disadvantaged families, perhaps because the children come from homes with more meager learning environments and less cognitive and language stimulation. In another study, using a smaller sample of children, we examined more closely whether the effects of preschool and prekindergarten that we found might differ according to children's levels of social and economic disadvantage, which we defined in several ways, and whether these benefits might persist over time. For example, we identified children with family incomes below the federal poverty threshold and a parent with less than a high school education and children whose families received welfare cash benefits. Some results of this analysis for the entire sample and for low-income families appear in Table 2.

As expected, the effects of preschool and prekindergarten were larger for disadvantaged children, compared with their peers. Furthermore, for these disadvantaged children prekindergarten consistently conferred larger benefits than other types of preschool. For example, the average child in poverty or with an uneducated parent who did not attend preschool was reading at the 33rd

percentile in kindergarten; prekindergarten attendance raised predicted performance to the 44th percentile. The effects of prekindergarten also appeared to be more persistent for disadvantaged children. For example, reading effects remained large and math effects (not shown in Table 2) remained significant for children from welfare families in the spring of first grade.

### Preschool attendance and children's behavioral problems

Although preschool attendance improved academic skills, it appears to have had some contrary effects on behavior. Using teacher reports of children's classroom behavior, we found that children attending preschool and prekindergarten had higher levels of teacher-rated externalizing behavior (e.g., moving prekindergarten children from the 50th to the 55th percentile) and lower levels of self-control (e.g., moving prekindergarten children from the 50th to the 46th percentile). Prekindergarten was linked to slightly more adverse effects on behavior than other types of preschool. This is somewhat puzzling—in general, higher-quality care is associated with lower levels of problem behavior—but perhaps some aspects of some prekindergartens, such as teacher-directed basic skill instruction, may create less positive social climates and more behavior problems among very young children.

In contrast to academic performance, the correlation with problem behaviors persisted into first grade. For disadvantaged children, the negative behavioral effects of prekindergarten attendance were no larger than those of other groups in the months after school entry, but the behavioral consequences were larger when measured in first grade.

If preschool and prekindergarten raise academic achievement only temporarily for most children, while having

persistent negative effects on classroom behavior, what then should we conclude? Several qualifications are necessary here. First, classroom behavior does not necessarily carry over to behavior in other settings, such as the home. Second, in this study the absolute levels of externalizing behavior were typically quite low and the levels of self-control quite high, even for children who attended prekindergarten. Without data on long-term academic and behavioral outcomes, we cannot say whether increases in these relatively low levels of problem behaviors will matter for children's later schooling. However, evidence suggests that most children's aggressive behavior declines over the first few years of school, so that there is no reason to suspect that levels of aggression detected in this study will lead to high levels of chronic misbehavior. Finally, it is reassuring that although children attending prekindergarten displayed higher levels of problem behaviors in classrooms, they were not more likely to be held back. But we clearly need to learn more about what happens inside the "black box" of prekindergarten. What, for example, are the effects of different group sizes, staffing ratios, classroom climates, and curricula?

The persisting larger academic benefits for disadvantaged children suggest that the greatest return to public investments in early education may be obtained by increasing the enrollment of such children in preschool and prekindergarten. In order fully to assess the importance of the enrollment changes we have documented, however, we would want to know more about the quality of the programs children are attending relative to the child care they would otherwise have experienced. Especially important is the question whether the greater school readiness of children who have attended preschools is translated into a continuing higher level of academic achievement as the children move through the elementary and secondary grades. And if effects do fade, to what extent might this be due to the characteristics of the elementary schools that these children attend? These last questions remain important avenues for future research. ■

<sup>4</sup>There exist many kinds of informal child care, from family members, babysitters, and the like, and these are still common, especially among poor families. About 45 percent of 4-year-olds are in some form of informal care for 10 or more hours a week. NICHD Early Child Care Research Network, "Early Child Care and Children's Development prior to School Entry: Results from NICHD Study of Early Child Care," *American Educational Research Journal* 39 (2002): 133–64.

<sup>5</sup>For information and links to current research regarding the various types of early education initiatives, including preschool and prekindergarten, see the Web site of the National Institute for Early Education Research <<http://nieer.org/>>.

<sup>6</sup>Administration for Children and Families, Head Start Fact Sheet 2001. Last accessed August 26, 2005 from <http://www.acf.hhs.gov/programs/hsb/research/factsheets.htm>

<sup>7</sup>J. Bainbridge, M. Meyers, S. Tanako, and J. Waldfogel, "Who Gets an Early Education? Family Income and the Gaps in Enrollment of 3-to-5-year-olds from 1968–2000," *Social Science Quarterly* 86 no.3 (September 2005): 724–58.

<sup>8</sup>D. Blau, *The Child Care Problem: An Economic Analysis* (New York: Russell Sage Foundation, 2001).

<sup>9</sup>Erdal Tekin, "Child Care Subsidy Receipt, Employment, and Child Care Choices of Single Mothers," NBER Working Paper 10459, National Bureau of Economic Research, Cambridge, MA 2004.

<sup>10</sup>S. Helburn, ed., *Cost, Quality, and Child Outcomes in Child Care Centers: Technical Report*. Department of Economics, Center for Research in Economic and Social Policy, University of Colorado at Denver, 1995; NICHD Early Child Care Research Network, "Child Care Structure → Process → Outcome: Direct and Indirect Effects of Child Care Quality on Young Children's Development," *Psychological Sciences* 13 (2002): 199–206, and NICHD, "Early Child Care and Children's Development."

<sup>11</sup>See, for example, a special issue of *Focus* 19:1, Summer/Fall 1997, "Investing in Young Children."

<sup>12</sup>B. Hart and T. Risley, *Meaningful Differences in the Everyday Experiences of Young American Children* (Baltimore: Brookes, 1995).

<sup>13</sup>Head Start effects are analyzed in first-year findings from a major study released by the Administration for Children and Families (ACF) in June 2005: *Head Start Impact Study: First Year Findings*. Information about the study and the full text of the report are available on the ACF World Wide Web site at [http://www.acf.hhs.gov/programs/opre/hs/impact\\_study/](http://www.acf.hhs.gov/programs/opre/hs/impact_study/).

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<sup>1</sup>Accessed 8/23/2005 at <http://govinfo.library.unt.edu/negp/page3-3.htm>.

<sup>2</sup>TANF funds intended to assist families transitioning off welfare can be transferred to CCDF programs.

<sup>3</sup>The research summarized here is reported in three articles: K. Magnuson, M. Meyers, C. Ruhm, and J. Waldfogel, "Inequality in Preschool Education and School Readiness," *American Educational Research Journal* 41, no. 1 (2004): 115–57; K. Magnuson, C. Ruhm, and J. Waldfogel, "Does Prekindergarten Improve School Preparation and Performance?" NBER Working Paper 10452, April 2004, National Bureau of Economic Research, Cambridge, MA (revised September 2005); and K. Magnuson, M. Meyers, and J. Waldfogel, "The Effects of Expanded Public Funding for Early Education and Child Care on Preschool Enrollment in the 1990s," unpublished paper, University of Wisconsin–Madison, 2005.

# Grandmothers raising grandchildren: Family well-being and economic assistance

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The presence of grandparents in their grandchildren's lives is now more common and of longer duration than ever before. In 1900, most grandchildren never knew their grandparents; in 2000, the likelihood that a 20-year-old had at least one grandparent alive was over 96 percent.<sup>1</sup> Many women are likely to be grandmothers for more than forty years.<sup>2</sup> This trend, combined with the growing social problems facing many poor families, has profound implications for extending grandparenting roles and active involvement in intergenerational relationships.

Very little is known about how grandparent primary caregivers have made use of formal income assistance targeted to low-income families, or about how they and their families have fared since the welfare reforms of the mid-1990s were introduced. Nor has there been much investigation of the extent to which targeted income assistance programs for low-income families reduce poverty among grandparent-maintained families.

The study summarized in this article begins to fill that gap.<sup>3</sup> I describe the economic well-being of families headed by grandmothers and investigate the sources and levels of family income, paying particular attention to the role of targeted income transfers (cash welfare, Food Stamps, SSI, and foster care payments) in reducing poverty for low-income families. Given that family structure is often directly associated with the economic resources available to households, I asked whether some types of grandmother-headed families face a greater risk to their economic well-being and are more likely to receive income support than others, and examined how households differ in their pre- and post-transfer poverty status.

## Grandparent-Headed Households

According to the U.S. Census Bureau, the number of children under 18 living in grandparent-headed households has increased markedly, from 2.2 million (or 3.2 percent of children) in 1970 to approximately 4 million (or 5.5 percent of children) in 1997.<sup>4</sup> Although the majority of grandparent-headed households also include at least one of the grandchild's parents, since 1990 the fast-

est-growing type of grandparent-headed household is one in which the grandparents and their grandchildren reside together without the grandchild's parents; these are generally called "skipped-generation" households. By 2000, approximately 2.4 million grandparents were responsible for most of the basic needs of their grandchildren.<sup>5</sup>

Grandparents become responsible for their grandchildren when the parents are unwilling or unable to raise them. The reasons vary widely but are rarely benign: the parent may have abused drugs, been imprisoned, or neglected, abused, or abandoned the child. The child's family may have been broken apart by divorce, illness, or death. Within this stressful context, grandparent primary caregivers face many social, physical, emotional, and legal problems. Significant economic difficulties compound other problems that are specific to older caregivers. Poverty may be both a cause and an effect of grandparent primary caregiving.

Passage of the 1996 welfare reform that replaced Aid to Families with Dependent Children (AFDC) with funding under Temporary Assistance for Needy Families (TANF) raised concerns about potentially detrimental effects of TANF regulations on grandparent-headed households, particularly those living near or below the poverty line. For example, grandparent primary caregivers who are part of the assistance unit are treated like other caretakers; they are required to participate in work activities no later than 24 months after receiving assistance and are subject to time limits for assistance. But some grandparent primary caregivers may be less able to return to employment than younger parents. They may be less competitive when it comes to finding a job to support their grandchildren, and may also be facing their own aging issues or declining physical health.

## Formal income assistance

Grandparent primary caregivers may be affected by federal and state policies within two main realms: public income assistance and child welfare. Cash grants through the welfare system's income assistance program (AFDC or since 1996, TANF) or foster care payments through the child welfare system have been major forms of financial support for grandparent primary caregivers. More recently, public welfare and child welfare policymakers have expressed greater interest in developing programs and services that specifically address kinship families' needs, and states and localities have begun to consider

alternative programs, such as subsidized guardianship, for relative caregivers who are not involved with traditional foster care or TANF programs.

### **Cash income assistance**

The 1996 welfare reform legislation considerably altered the financing and structure of cash aid and other social welfare programs. Although the federal government imposes some conditions, such as work requirements and time limits, states may now design their own welfare programs. As a result, the effects of the reform on grandparent primary caregivers will ultimately depend on which state they live in and on any federal waivers that may be in effect.<sup>6</sup> Before welfare reform, for instance, older grandparents were likely to be exempt from work requirements because of their age, but no such federal exemption currently exists. Among the 29 states that do provide age-related exemptions from work requirements, the age of exemption varies from 55 in Washington to 65 in Wyoming; at least 20 states exempt caregivers over age 60.

Under AFDC and TANF, the presence or absence of a parent in the household (whether the parent is a teen parent or an adult) changes the eligibility criteria. Grandparent caregivers in skipped-generation households may choose either to exclude themselves from the assistance unit, receiving a child-only grant, or to be included as part of the assistance unit. The income and assets of grandparents receiving child-only grants are not counted when the grandchildren's eligibility for the grant is determined, whereas the financial resources of grandparents receiving the full grant must be low enough to make them eligible for the benefits.

When the grandchildren's parent is present and is over the age of 18, the eligibility criteria for cash assistance are based exclusively on the parent's eligibility and the grandparents' income and assets are not considered so long as the grandparents are not included in the assistance unit. When the parent of grandchildren in a grandparent-headed household is under age 18, he or she is required by TANF regulations to live with a parent or legal guardian and to be in school or employed as a condition of assistance. Under such circumstances, an employed grandparent might need to leave work in order to provide care to the grandchildren, although the grandparents' financial resources do not determine the eligibility of the teen parents and grandchildren. Grandparents who are themselves currently receiving a cash grant while raising other children may find it more difficult to fulfill their own work requirements if they become the de facto caregivers of their teenager's children. Even if these regulatory complications do not exist, the minimal level of means-tested public assistance benefits is often insufficient to move families up to the official poverty line.

### **Assistance through the foster care program**

Another potential source of federally supported payments for grandparent primary caregivers is the foster care program under Title IV-E of the Social Security Act. One of the major differences between foster care and TANF is that children in foster care are in the state's legal custody, not the caregiver's. In addition, foster care imposes stringent requirements, including ongoing supervision and oversight from the child welfare agency. Some states require kinship caregivers to meet additional criteria. For instance, in California, regardless of the licensing requirements that a family fulfills and the relative family's own income, relative caregivers can obtain a foster care payment for children only if the children's family of origin is poor according to welfare eligibility rules.

Foster care payments often exceed TANF benefit amounts, depending on the state and the age and number of children in care. State TANF child-only rates vary from \$60 to \$514 a month, with the amount for each additional child prorated on a declining scale. Foster care payment rates vary from \$212 to \$708 a month for basic care and are the same per child, regardless of the number of children being cared for. Thus the difference in benefits becomes even greater when there are multiple children in care.

Grandparent caregivers' access to foster care payments is limited, for at least three reasons. First, as noted, grandparents are eligible for foster care payments only if they give custody of the children to the state. In effect, this makes the grandparents "foster parents" of their own grandchildren, and most are reluctant to cede their authority to the government. Second, grandparent primary caregivers may find it difficult to meet state licensing or approval standards, such as specifications that the home must have a set number of bedrooms or minimum square footage. Finally, the benefits can only be obtained in cases where the children have been removed from their parents' home or another relative's home by a court order and placed with the grandparents. For the many grandparents whose grandchildren are already living with them when the court determines the placement arrangements, foster care benefits are not available.

### **Kinship caregiver payments**

In general, the type of payment determines how stringently kinship caregivers are assessed; less stringent standards often result in payments that are smaller than foster care payments. In 2001, some states provided foster care payments to kinship caregivers only when they met all nonkin foster care requirements; others allowed relatives to meet lower standards for regular foster care payments. Some states had a separate standard for relatives, providing kinship caregivers with smaller payments, often a TANF child-only grant. Between 1999 and 2001, 27

**Table 1**  
**Payments for Kinship Caregivers under Foster Care, State Alternative Programs, and TANF, 1999**

State	Foster Care Payment for Two Children <sup>a</sup>	Alternative Program Payment for Two Children <sup>a</sup>	TANF Payment for Two Children, No Adult	TANF Payment for Two Children, One Adult <sup>b</sup>
California	\$893	\$893 <sup>c</sup>	\$565 <sup>d</sup>	\$699
Florida	\$769	\$526	\$241	\$303
Missouri	\$515	\$515	\$234	\$292
Wisconsin	\$652	None	\$430 <sup>e</sup>	Not eligible

**Source:** M. Farrell, M. Fishman, S. Laud and V. Allen, *Understanding the AFDC/TANF Child-only Caseload: Policies, Composition, and Characteristics in Three States* (Lewin Group, 2000) and U.S. House of Representatives, Committee on Ways and Means, *2000 Green Book* (Washington, DC: U.S. GPO, 2000).

<sup>a</sup>Payments vary depending on the age of the child. The payment presented in this table represents the 1999 payment, averaging the payment for a child 2, 9, and 16 and multiplying it by two.

<sup>b</sup>TANF rate for two children and one adult, for nonparental caregivers who choose to be included in the grant (and are subject to the work requirements and time limits).

<sup>c</sup>Rates equal to foster care rates (which might have changed in 2000 when implemented), not including a clothing allowance or specialized care increments.

<sup>d</sup>Maximum payment for exempt caregivers.

<sup>e</sup>Wisconsin Kinship Care program (\$215 per month per child).

states changed their kinship care policies, and 18 of them switched to a more stringent policy toward kinship caregivers.<sup>7</sup>

In the absence of federally developed regulations, some states, including Wisconsin, have established new kinship care financing systems as part of their TANF program. Wisconsin's Kinship Care program, which is separate from its foster care system, offers cash support to kinship families (\$215 a month per child) on a condition that kin caregivers go through a review every 12 months to ensure the child's safety. Families need not be poor to be eligible for the assistance.

### Subsidized guardianship programs

Some states offer permanency options to kin caring for children who are in state custody, if the child welfare authorities have determined that reunification is not possible. These options also provide financial assistance to kinship caregivers through programs like subsidized guardianship, which provides monthly payments that are less than or equal to the state foster care payment to relatives who become the legal guardians of children in their care. Unlike foster care payments, guardianship payments do not qualify for federal reimbursement.<sup>8</sup>

Subsidized guardianship may be offered by states as a permanency option for relatives, though policies and funding sources differ. For instance, Connecticut requires children to be in state custody in order to be eligible for subsidized guardianship. In California, the Kinship

Guardianship Assistance Payment Program (Kin-GAP) is a subsidized guardianship program for relative caregivers supported from TANF, state, and county funds, and allows children to be involved regardless of their IV-E eligibility.

The rates of the alternative programs are set at or close to the foster care payment rates, and are usually greater than the payments for TANF nonparental caregivers.<sup>9</sup> The TANF child-only grant program imposes the fewest requirements on relative caregivers, whereas the foster care program imposes the most stringent requirements. The alternative programs have some requirements, although they are generally not so stringent as foster care. The greater flexibility of state policies for kinship caregiver families means that financial assistance options available to grandparent primary caregivers are quite variable within and across states. Table 1 gives examples of the average benefits in each program category in selected states for 1999.

The majority of kinship families are not in the child welfare system, and thus receive little or no support from federal, state, or local governments. Some researchers have argued that the economic difficulties faced by relative caregivers, such as grandparents, have been exacerbated by the state child welfare agencies' increasing preference for placing children in the homes of relatives without providing sufficient assistance to the relative families, thus exposing children to "state-sanctioned poverty."<sup>10</sup>

## Family structure, poverty, and public income assistance in grandparent-headed families

We know little about how the use of public income assistance and foster care payments has varied among different types of grandparent-headed families since the 1996 welfare reform. The existing studies raise concerns about access to public income support for skipped-generation families headed by grandparents with low incomes (see box below). An additional subject for study is how far income derived from public income support and foster care payments alleviates poverty among families headed by grandparents. In seeking some answers, I made use of data from the National Survey of America's Families (NSAF), two cross-sectional data sets collected during 1997 and 1999.<sup>11</sup> The sample for this study is restricted to grandmothers identified as the most knowledgeable adult (MKA) with respect to their focal grandchildren in grandparent-maintained households. The households in this study are downward-extended—that is, adult children and their children reside in their parents' households—as opposed to upward-extended households, in which adult children take in their parent(s).<sup>12</sup>

In the full study, I considered four family configurations for families in which the grandmother was the primary caregiver: (1) no parent present, grandmother only, (2) no parent present, both grandparents, (3) at least one parent present, grandmother only, and (4) at least one parent present, both grandparents. This article presents results primarily for “skipped-generation” households—those

with no parent present—which represent 73 percent of study households.<sup>13</sup>

### Demographic characteristics of grandmother caregivers and their families

The great majority of grandmother primary caregivers in the sample were under age 60 (87 percent), with a mean age of 51.<sup>14</sup> Almost half lived with a spouse at the time of the interview, and more than one-third reported having fair or poor physical health. Grandmothers were diverse in their race and ethnicity; approximately 41 percent of them were white, 44 percent were African American, and about 13 percent were of Hispanic origin. Half of the grandmothers in this sample lived in the South, and the average family size was four. Almost one-third did not have a high school diploma. More than half had worked in the year before the interview, many of them full time (31 percent). This pattern of work did not vary among the four family types. Although annual family income in the sample averaged roughly \$32,000, 31 percent of grandparent-headed families had incomes below the federal poverty line.

Family configuration is systematically associated with some of the characteristics of grandmother caregivers in this sample and most of the differences were statistically significant. Regardless of the presence of a spouse, grandmother caregivers in skipped-generation households were older and more likely to care for older grandchildren than those in three-generation households. Racial and ethnic differences were also statistically

### Earlier Research on Grandparent-Headed Families

Peter Brandon, using 1992–93 SIPP data, found that poverty rates for children in grandparent-headed households were higher than those for all parent-headed households except single mothers, and that children living with grandmothers only were less likely to enter welfare than those in other grandparent-headed families. (P. D. Brandon, *Welfare Entries among Children Living with Grandparents*. Joint Center for Poverty Research, Working Paper 170, 2000.)

Amy G. Cox and Anne R. Pebley, using 1992 SIPP data, found that children in skipped-generation grandparent-headed families were more likely to participate in welfare programs than children in parent-headed families, largely because of higher Medicaid coverage. (A. G. Cox and A. R. Pebley, *Grandparent Care and Welfare: Assessing the Impact of Public Policy on Split and Three Generation Families*. Labor and Population Program Working Paper Series 99-08. Washington, DC: RAND, 1999.)

Lynne M. Casper and Kenneth R. Bryson, using 1997 SIPP data, found that single grandmothers in skipped-generation families were more likely to receive public assistance than three-generation families with both grandparents present. (L. M. Casper and K. R. Bryson, *Co-resident Grandparents and Their Grandchildren: Grandparent-Maintained Families*. Population Division Working Paper Series No. 26, U.S. Bureau of the Census, 1998.)

Cynthia Andrews Scarcella, Jennifer Ehrle, and Rob Geen, using 1999 data from the National Survey of America's Families (NSAF), found that two-thirds of the children living in their grandparent's home were in families with incomes below 200 percent of the poverty line, and over one-third were below the poverty line, but that only 29 percent were reported to be receiving foster care or TANF payments. (C. A. Scarcella, J. Ehrle, and R. Geen, *Identifying and Addressing the Needs of Children in Grandparent Care*. The Urban Institute Series B, No. 55, 2003.)

significant. More specifically, married grandmother caregivers in three-generation households were more likely to be white than those in other types of families. In contrast, single grandmother caregivers were more likely than married grandmother caregivers to be African American, regardless of the presence of the grandchildren's parents.

Single grandmothers in skipped-generation households showed the highest levels of disadvantage in the sample. They were less likely than those in other types of families to have completed high school education; they were also more likely to have the lowest family incomes. Single grandmother caregivers were more likely than married grandmother caregivers to live in poverty, to have poor health, and to live in the Northeast in both skipped- and three-generational households. They were, however, more likely ever to have married than their counterparts living in three-generation households.

### Sources and levels of family income

Earnings were the largest source of income for all skipped-generation families headed by grandmothers,

	Grandmother Only	Both Grandparents
<i>(a) Pretransfer Family Income</i>	\$17,679	\$36,364
Family earnings	\$14,246	\$31,087
Social Security	\$2,134	\$2,663
Pensions/annuity	\$488	\$951
Unemployment Ins. and Worker's Compensation	\$161	\$708
Child support	\$412	\$246
Other income <sup>a</sup>	\$237	\$708
<i>(b) Targeted Income Support<sup>b</sup></i>	\$3,301	\$2,000
% with receipt of any	58.6	5.9
Mean if received any	\$5,636	\$5,568
<i>(c) Post-transfer Total Income (a)+(b)</i>	\$20,980	\$38,364
Poverty status <sup>c</sup>	43.5%	16.1%
N	492	499

**Note:** Adjustments for inflation made using the Consumer Price Index (CPI-U). All income values are shown in 1999 dollars.

<sup>a</sup>Includes money from family or friends, interests/dividends, rental income, housing assistance, and Earned Income Tax Credit, among other miscellaneous sources.

<sup>b</sup>Based on grandmother MKAs' reports of dollar amounts received from public welfare assistance and foster care payments in each year of the survey. Public welfare assistance included AFDC or TANF, food stamps, and SSI. The inclusion of the cash value of food stamps in family incomes results in slightly lower percentages of families with incomes below the federal poverty line (FPL) than does the use of the official poverty measure that does not consider in-kind benefits.

<sup>c</sup>Percentage of families with post-transfer income below the FPL.

and Social Security benefits were the second-largest (Table 2). Given that families headed by single grandmother caregivers were more likely to have pretransfer family income below the poverty level, it is not surprising that they were also more likely to report receiving targeted income support than married grandmothers' families. However, the receipt rates appear to be low for all families, considering that the majority of grandparents providing care to their grandchildren are eligible for TANF child-only benefits, regardless of their incomes. Families of single grandmothers had considerably lower levels of earnings and other income compared to those in which both grandparents were present. Married grandmothers reported receiving slightly lower child support income from the parents than did single grandmothers.

Approximately three-fifths of single grandmothers in skipped-generation families reported annual family income below \$20,000 after receiving income transfers; over a quarter reported annual income below \$10,000

**Table 3**  
Benefits Received by Low-Income, Skipped-Generation Families Headed by Grandparents

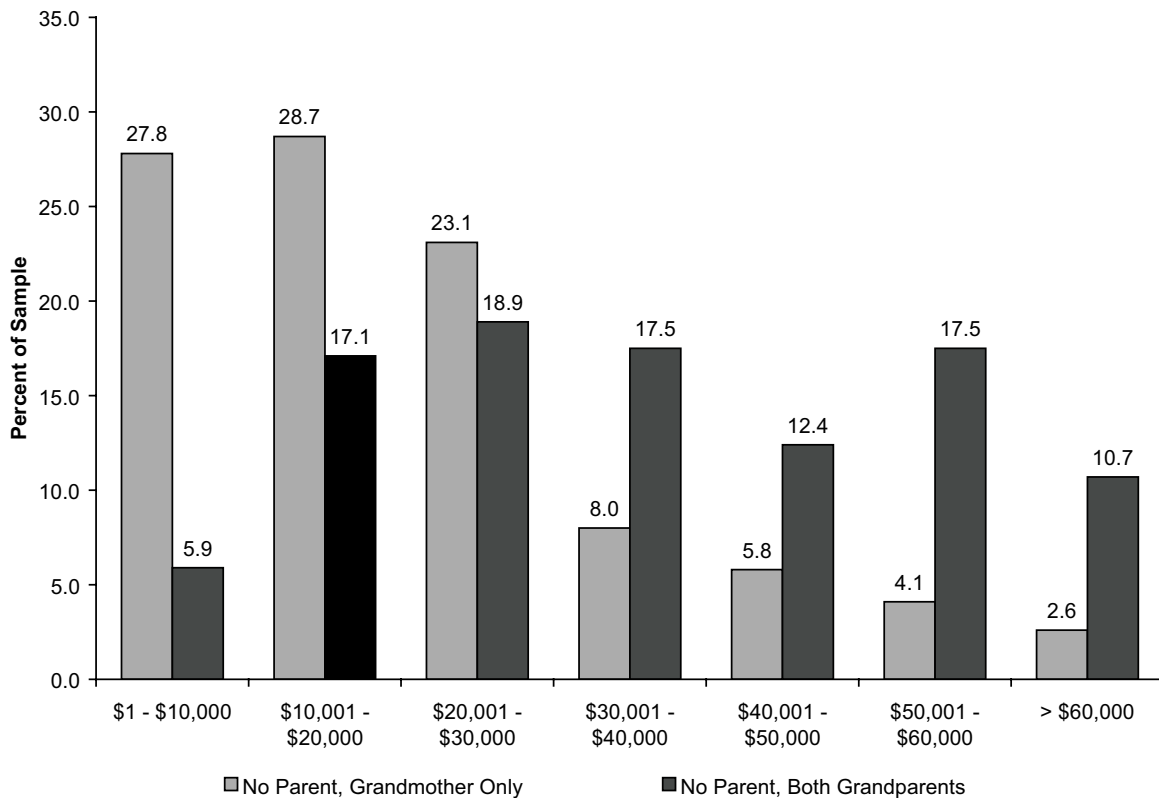
	Grandmother Only	Both Grandparents
<i>Targeted Income Support<sup>a</sup></i>	\$3,985	\$2,358
% with receipt of any	67.1	40.3
Mean if received any	\$5,943	\$5,854
Cash welfare <sup>b</sup>	\$931	\$524
% with receipt	31.8	18.5
Mean if received any	\$2,929	\$2,835
Food stamps <sup>c</sup>	\$1,045	\$519
% with receipt	52.4	23.5
Mean if received any	\$1,992	\$2,212
SSI \$1,536	\$1,061	
% with receipt	26.3	16.6
Mean if received any	\$5,852	\$6,387
Foster care payments	\$463	\$255
% with receipt	5.5	4.1
Mean if received any	\$8,485	\$6,253
N	401	268

**Note:** Adjustments for inflation made using the Consumer Price Index (CPI-U). All income values are shown in 1999 dollars. "Low-income" families are defined as those with incomes below 200 percent of federal poverty line.

<sup>a</sup>Targeted income assistance was measured based on grandmother MKAs' reports of dollar amounts received from public welfare assistance and foster care payments in each year of the survey. Public welfare assistance included AFDC or TANF, food stamps, and SSI. The inclusion of the cash value of food stamps in family incomes results in slightly lower percentages of families with incomes below the federal poverty line than does the use of the official poverty measure that does not consider in-kind benefits.

<sup>b</sup>Includes AFDC/TANF benefits, General Assistance, and Emergency Assistance from welfare agencies.

<sup>c</sup>Includes food stamps and vouchers from welfare agencies.



**Figure 1. The distribution of post-transfer family income among skipped-generation families headed by grandmothers.**

Source: Data from the 1997 and 1999 National Survey of America's Families.

(Figure 1). Married grandmothers appeared to be better off, with almost three-fifths of them reporting an annual income above \$30,000.

Table 3 provides more detailed information about the types and amounts of the targeted income support received by skipped-generation families, focusing on those with incomes below 200 percent of the poverty line before the transfer. Food Stamp benefits were the most common assistance grandmother caregivers' families received. For the reasons already noted, very few grandmother caregivers received foster care payments, although average foster care payments for those who received them provided higher levels of support than Food Stamps and cash welfare.<sup>15</sup>

More than a quarter of the skipped-generation families headed by single grandmothers reported SSI income. Given that grandmother caregivers included in this study are all under 65, SSI receipt implies that they may have disabilities themselves or need to care for disabled family members (including grandchildren). Although some of these grandmothers may have spouses or older parents eligible for SSI, it is important to consider the additional burden and strain placed on grandmothers by their own poor physical health and/or multiple caregiving responsibilities.<sup>16</sup>

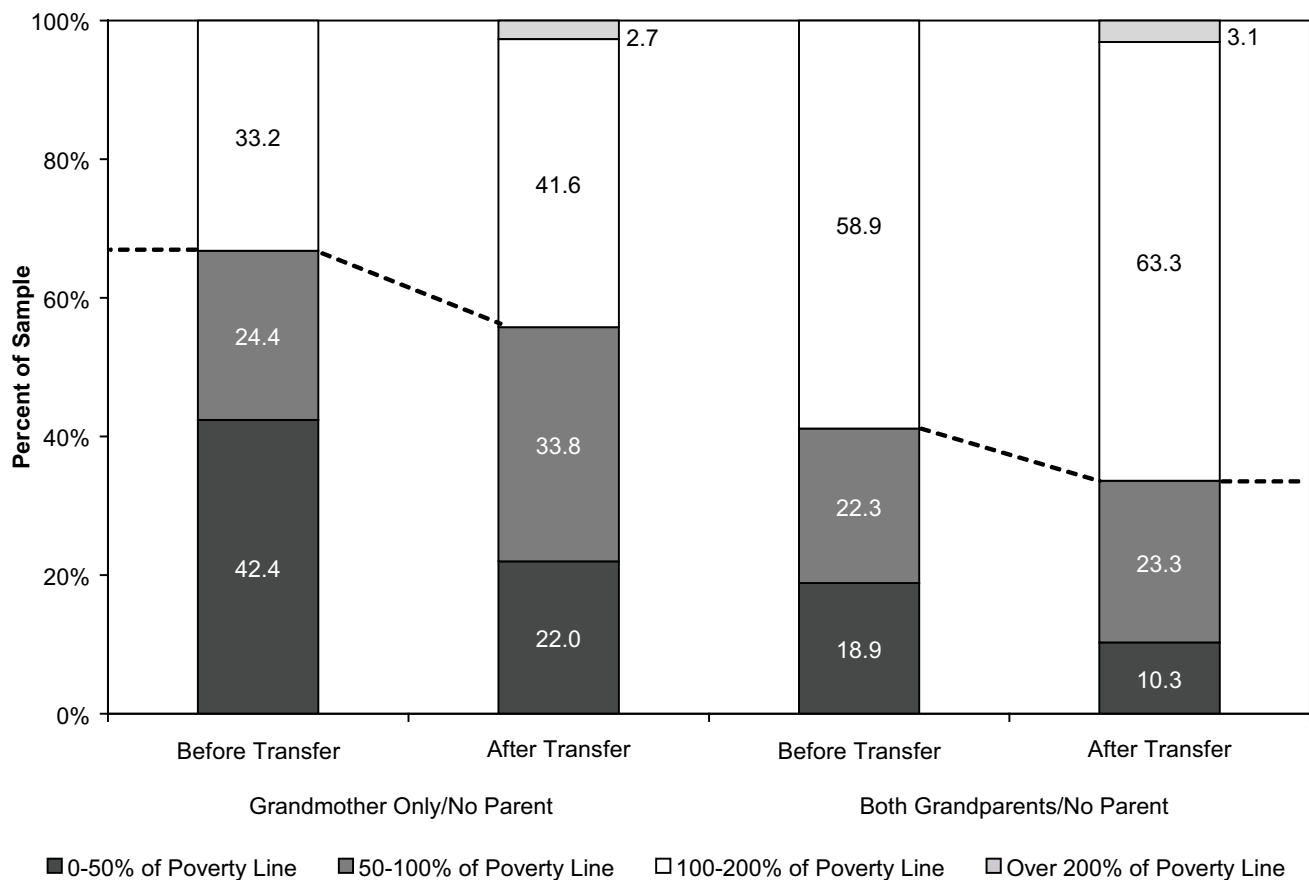
Among low-income skipped-generation families—those with pretransfer incomes below 200 percent of the federal poverty line (FPL)—benefits received were moderately effective in reducing poverty and particularly effective in reducing severe poverty (Figure 2). But even after transfers very few of these families achieved incomes above 200 percent of the FPL, and more than half of the single grandmothers' families remained under the poverty line.

### How effective was income assistance in closing the poverty gap?

The poverty "gap," defined as the dollar amount it would take to bring a family's income up to the poverty threshold, is a standard measure of the effectiveness of targeted income assistance in assisting poor families. I calculated the poverty gap for families in the study, and then examined the extent to which income support was closing that gap. In this article, I consider only the 392 skipped-generation families who were "pretransfer poor," that is, those who had incomes below the official poverty line if cash welfare, food stamps, SSI, and foster care payments were not included in their family income (Table 4).

Among skipped-generation families, 51 percent of the single grandmother families and 20 percent of married grandparent families had incomes below the poverty line





**Figure 2. Poverty status among low-income skipped-generation families headed by grandparents.** Dashed line represents Federal Poverty Line (FPL). This chart includes only families with pretransfer incomes below 200 percent of the Federal Poverty Line, so bars for the pretransfer poverty status show zero percent in the “above 200 percent of poverty line” group by definition. “Low-income” families are defined as those with incomes below 200 percent of FPL; those with incomes between 50 and 100 percent of FPL are considered to be “in poverty” and those with incomes below 50 percent of FPL are considered to be “in severe poverty.”

**Source:** Data from the 1997 and 1999 National Survey of America’s Families.

before transfers. Most of these families received some assistance from the four programs, and this help brought 17–18 percent of the pretransfer poor families out of poverty. Targeted income support decreased the poverty gap by around 40 percent among all skipped-generation grandmother caregivers’ families and by about half if we consider only families receiving targeted income assistance.

### Directions for future research

Several limitations of this study must be acknowledged. First, although the study documents systematic relationships between family structure and economic well-being, the findings are descriptive, not explanatory. Nor could I take into account changes in family structures over time, although such changes may be related to the economic resources available to grandmother caregivers and their families.

Because people over the age of 64 are excluded from the NSAF study design, we have no information about the experiences of older grandmother caregivers—and there are some, although the majority of grandparent caregivers are middle-aged, with many in their 40s or 50s. The study’s findings cannot be generalized to a broader sample of grandmother caregivers.

There is a critical need for theoretically grounded, longitudinal research with more recent data on grandparent caregivers, particularly regarding the effects of policy changes (e.g., welfare reform) on those living in poverty. State variations in economic support programs for grandparent primary caregivers might make it possible to use a quasi-experimental design to examine the impact of different levels of financial assistance on grandparent caregivers and their families, but any such research must very carefully select time points for comparison because some states administered pilot programs or waiver projects before the official implementation of welfare reform. We need to know much more about the ability of

**Table 4**  
**The Proportion of the Poverty Gap Filled by Targeted Income Support In Skipped-Generation Families Headed by Grandparents**

	Grandmother Only	Both Grandparents
Pretransfer Poverty Status		
0–50% of poverty level	33.1	9.0
50–100% of poverty level	18.2	10.7
100–200% of poverty level	26.6	28.2
Over 200% of poverty level	22.1	52.2
Of Pretransfer Poor		
% with targeted income support	75.6	58.8
Mean targeted income support if received any	\$6,619	\$7,209
% of Cases Taken Out of Poverty		
For all cases	16.7	18.2
For cases with targeted income support	22.0	31.0
Average Poverty Gap (\$)		
For all cases	\$10,730	\$8,422
For cases with targeted income support	\$11,342	\$10,014
% of Poverty Gap Closed		
For all cases	43.9	37.9
For cases with targeted income support	58.0	64.6
N	492	499

**Notes:** Adjustments for inflation were made using the Consumer Price Index (CPI-U). All amounts are shown in 1999 dollars.

existing formal income support programs to meet the needs of grandparent caregivers, the reasons that some grandparents do not utilize these services, and the kinds of program alternatives that might be appropriate.

### Policy implications

Given the high poverty rates especially among families headed by single grandmothers, even after the transfer of income assistance, policymakers should reconsider economic policies that currently place grandparents at a disadvantage. Grandparent caregivers often receive inconsistent and inequitable treatment based on their status as a relative. The various state plans managing TANF funds are also contributing to the inconsistency. Although the majority of grandparent-headed families may qualify for a TANF child-only grant, the monthly payments are often insufficient to provide adequate housing, clothing, and food for their families and some regulatory requirements may impose particular hardships on older caregivers. As Faith Mullen noted, policymakers and social administrators should carefully consider that “programs and policies for children in the custody of young, unwed mothers may be completely inappropriate for children in the custody of their grandparents.”<sup>17</sup>

The inequity in financial assistance for grandparent-headed families becomes even larger when compared to services provided to kinship caregivers and nonrelative foster care parents. Policymakers can assist grandparent primary caregivers with low incomes by easing the licensing procedures for the more generous and less stigmatiz-

ing payments available to foster care parents or by providing alternative financial support programs that do not require grandparents to place their grandchildren in state custody.

Finally, many grandparents, at least in the younger age group discussed here, are still in the labor force and need the same kinds of family-friendly policies and programs as working parents—flexible work schedules, parental leave, and affordable, good-quality child care. Economic hardship, as this study demonstrates, is widespread among grandparent caregivers, and affects their ability to financially support their grandchildren and maintain their own well-being. In addition to changes in financial assistance programs, policymakers therefore need to consider workplace policies and programs that will improve the grandmothers’ abilities to care for their families. ■

<sup>1</sup>P. Uhlenberg and J. B. Kirby, “Grandparenthood over Time: Historical and Demographic Trends,” in *Handbook on Grandparenthood*, ed. M. E. Szinovacz (Westport, CT: Greenwood Press, 1998), pp. 23-39.

<sup>2</sup>R. Pruchno and K. Johnson, “Research on Grandparenting: Review of Current Studies and Future Needs,” *Generations* 20, no. 1 (1996): 65-71.

<sup>3</sup>The article is drawn from aspects of the research presented in Dr. Park’s Ph. D. dissertation in Social Work, “Grandmothers as Primary Caregivers: Poverty, Care Demands, Social Participation, and Psychological Distress,” completed at the University of Wisconsin–Madison in 2004. At the annual meeting of the Society for Social Work and Research, 2005, Dr. Hwa-Ok Park received the Outstanding Social Work Dissertation Award for this work.

<sup>4</sup>T. Lugaila, "Marital Status and Living Arrangements: March 1998 (Update)." *Current Population Reports*, P20-514, U.S. Bureau of the Census, Washington, DC, 1998.

<sup>5</sup>K. R. Bryson, "New Census Bureau Data on Grandparents Raising Grandchildren," paper presented at the 54th Annual Scientific Meeting of The Gerontological Society of America, Chicago, 2001.

<sup>6</sup>Under AFDC, all relatives caring for a child could receive child-only payments, but under TANF such entitlement no longer exists, although states may provide cash assistance to kinship caregivers. Currently all states except Alabama provide TANF child-only payments to kinship caregivers who seek assistance. See F. Mullen and M. Einhorn, *The Effect of State TANF Choices on Grandparent-Headed Households*, Public Policy Institute, AARP, Washington, DC, 2000.

<sup>7</sup>A. Jantz, R. Geen, R. Bess, C. Andrews, and V. Russell, *The Continuing Evolution of State Kinship Care Policies*, Assessing the New Federalism, Urban Institute, Washington, DC, 2002.

<sup>8</sup>Seven states, including Delaware, Illinois, Maryland, Montana, New Mexico, North Carolina, and Oregon, received title IV-E waivers to examine the effectiveness of subsidized guardian programs for kinship care families.

<sup>9</sup>In California, Kin-GAP provides assistance to a relative who is also the legal guardian of a dependent child who has been in foster care for at least 12 months as an alternative kinship program. Florida administers a TANF-funded Relative Caregiver program that offers assistance for a child placed with a relative who is taking care of that child under court supervision or who has temporary legal custody. The Grandparents as Foster Parents program in Missouri offers cash assistance to grandparents or relatives age 50 and over who are legal guardians or have legal custody. The payments are equal to the foster care payments.

<sup>10</sup>R. Hegar and M. Scannapieco, "From Family Duty to Family Policy: The Evolution of Kinship Care," *Child Welfare* 74 (1995): 200-17; quotation from p. 213.

<sup>11</sup>The original NSAF sample is representative of the noninstitutionalized, civilian population under the age of 65 in the nation with oversamples in 13 targeted states. Low-income households (defined as having incomes below 200 percent of the federal poverty line) and households with children were oversampled. The sample of children was randomly selected with up to two focal children, one aged 0-5 and one aged 6-17, from each household. The most knowledgeable adults (MKAs) of these sample children in the household provided all information about the children, the MKAs themselves, their spouse/partner if living in the same household, and their households. Respondents were interviewed regarding their experience during 1996 and 1998.

<sup>12</sup>If two focal children are both grandchildren of a same grandmother MKA, then the older focal child (i.e., ages between 6 and 17) was selected because questions related to children's behavioral problems were asked only for focal children at the age of 6 or over. Sensitivity testing of selecting younger focal children resulted in no significantly different findings.

<sup>13</sup>Compared to a national profile of grandparents living with grandchildren (see the article by Casper and Bryson, cited in the text box on p. 22), this sample includes a higher proportion of skipped-generation families. This may be attributable to the NSAF design which oversamples poor families.

<sup>14</sup>This reflects the sampling frame of the NSAF, in which the sample is representative of the population under the age of 65. The sample consisted of 1,363 grandmother caregivers.

<sup>15</sup>Grandmothers may have received financial support from a state program that is specifically designed for relative caregivers (e.g., subsidized guardianship), but the NSAF may have not separated this source of income from the aggregated "other income." Lack of information about whose custody the grandchildren are in (e.g., parent, grandmother, or state) made further investigations difficult in this study.

<sup>16</sup>People who are blind, disabled, or older than 65 are eligible for SSI when their economic resources are limited enough to meet the eligibility criteria.

<sup>17</sup>F. Mullen, "Grandparents and Welfare Reform," in *To Grandmother's House We Go and Stay: Perspectives on Custodial Grandparents*, ed. C. B. Cox (New York: Springer, 2000), pp. 113-31.

# The challenge of institutional “milieu” to cross-systems integration

Thomas Corbett, James Dimas, James Fong, and Jennifer L. Noyes

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In the Summer 2004 issue of *Focus*, Jodi Sandfort addressed the recurring question—“Why is human services integration so difficult to achieve?” She pointed out that integrated service models are, by their very nature, complex, and that “the ‘core technologies’ of such human service organizations cannot be easily standardized.” Rather, the technology of collaborative initiatives, especially those that blend existing, categorical programs, demands that main activities and tasks be “negotiated afresh in the daily interactions between front-line workers and clients.”<sup>1</sup>

The ambitious integrated service models now being developed typically require flexible responses to the changing and unpredictable needs of families with multiple challenges. Prescribed rules and by-the-book answers are less useful than professional norms in guiding workers’ actions, developing appropriate routines, and assessing strategies to meet continuously evolving management or service challenges.

Mandated collaboration, says Sandfort, even when it is accompanied by conventional strategies for cross-training and by better communication, may not be sufficient. She concludes, “managers will be able to accomplish better, more integrated service delivery only by understanding how to shape the deeper structures in human service organizations that determine or constrain action.” We argue in this article that cross-systems integration demands a more profound awareness of the deeper structures of organizational life—an organization’s “milieu”—than is generally recognized.

## Institutional milieu—what is it?

Basically, the “milieu” of an institution or organization is a shorthand term for the underlying norms, values, and behavioral patterns that shape the way the agency functions and makes decisions. What kinds of people are

recruited for key positions? How are they trained? How much latitude to make decisions and exercise discretion is given line staff or front-line managers? What staff behaviors are recognized and rewarded? How clearly are organizational mission and values articulated, and how fully are they embraced by the workforce? These are only a few items in a very long list. Like a societal milieu, the institutional variant encompasses the norms and values that guide how the members of an organization are expected to think and act and, by extension, how customers and the community view the program or agency.

One correlate of an institution’s milieu is its “core technology,” the activities or functions it performs. For example, does a program (or agency) primarily issue benefits, deliver a routinized service, or intervene in families to remedy problems or transform behaviors? These fundamentally different kinds of tasks—fully routinized, partially routinized, and nonroutinized systems—shape different types of organizational milieus.

Benefits-issuing programs such as Food Stamps or housing subsidies typically involve repeated and routine tasks performed within a strict regulatory environment. Determining who is eligible and calculating what benefits families ought to receive may be complex but requires little discretion. Good workers execute the rules invariantly and with precision. Not surprisingly, the dominant milieu in such programs is a top-down management style, and conformity to rules is a prized organizational attribute. Let us call such programs or agencies *fully routinized* systems.

This is the fifth article in an intermittent *Focus* series discussing integration of human services systems. Earlier articles are:

The service integration agenda: Political, conceptual, and methodological challenges—Thomas Corbett and Jennifer L. Noyes (Vol. 22:3, Summer 2003)

Building comprehensive human service systems—Mark Ragan (Vol. 22:3, Summer 2003)

Service and systems integration: A collaborative project—Thomas Corbett and Jennifer L. Noyes (Vol. 23:2, Summer 2004)

The opportunities for service integration under current law—Mark Greenberg and Jennifer L. Noyes (Vol. 23:2, Summer 2004)

A number of service programs reflect some attributes of benefits-issuing agencies in that the program's products (an activity or knowledge) do not change much across consumers. Thus, there is a repetitive quality to what is done for those seeking help. But sometimes these programs require workers to exercise professional skills and discretionary judgment. A formal bureaucracy is more or less consistent with program purposes, but we would expect to see, for example, greater lateral communication (problem-solving among peers) and less formulaic rule-making. Many of the programs that became staples of Temporary Assistance for Needy Families (TANF) as it shifted cash welfare toward an emphasis on work fall into this category. Examples include basic skill development services, job search help, and help for TANF applicants in seeking alternatives to public assistance. Let us call these programs *partially routinized* systems.

Intervention or crisis-oriented service programs thrive in organizational milieus that deviate radically from true bureaucratic forms of organization. Each interaction between the system and the client (or customer) is likely to be unique or at least have elements of unpredictability. Service providers that deal with severe substance abuse or mental health problems, or with children spiraling toward the child welfare system, might be assigned to this final category. In the face of these challenges, formulaic rules are not particularly effective. Professional judgment and continuous adjustments and refinements of strategies for carrying out the program's core technology probably should be encouraged. In such systems, one might expect to see what are called flat hierarchies (few management levels), bottom-up decision making (in which front-line workers are empowered to shape how an agency does its business), and incentive structures that encourage innovation and flexibility in working with professionals in other organizations and systems. Let us call these *nonroutinized* systems.

Putting together programs with similar organizational milieus, although still difficult, is less daunting than blending programs or agencies drawn from different milieus. For example, integrating two benefit programs might demand changes in eligibility criteria and supportive information technologies, but the workers and supervisors in these two systems might feel relatively comfortable working together. This is not the case in pursuing integration across milieus. It has proved difficult, for example, to bring together staff and clients familiar with an institutional milieu shaped by the imperative to get a check out the door (the former AFDC system) with staff shaped by an institutional milieu that reflected different incentives, stakeholders, and protocols (the workforce development system).

It should not be inferred from this organizational typology that all fully routinized systems lack innovative or other nonbureaucratic qualities, or that all intervention or crisis-oriented programs are free of the influences of

more routinized, bureaucratic behavior. Core technology is a significant, but not the only influence an organization's milieu. Other significant drivers include public and legal scrutiny, changing political climates, and leadership. For example, there can be an emphasis on policy-driven practice and, at times, formulaic decision-making in child welfare systems because of their legalistic, high-risk, and often high-profile nature. In such cases, one might well see significant amounts of hierarchical, top-down decision making and bureaucratic structures that discourage innovation and flexibility. Moreover, some particularly innovative state welfare leaders were quite successful in recrafting their organizations' core technologies to the point where they fitted the description of a nonroutinized system. The essential point, however, remains the same: core technology is a strong factor in determining the milieu in many organizations, and the typology of fully routinized, partially routinized, and nonroutinized systems can be a useful tool in assessing existing organizational milieus as one prepares to implement cross-systems integration.

## Getting to the starting point

The impetus for change in service programs is likely to be generated by a feeling that something is wrong with the current system. For example, program A and program B deal with many of the same families and should be working together. They are, however, located in different parts of the city, introducing a transaction cost for customers (getting across town). As a result, many families referred from program A to B may not show up (in program analysis terms we call this a "leakage" problem).

With the "problem" identified, it would appear relatively easy to import a solution. In this case, the answer may be collocation of services, bringing related programs and service systems under the same roof. Other examples of tactics for bringing programs together and integrating service delivery include (but certainly are not limited to) the following:

*Realign governance structures*—Institute common managers over programs where more collaboration is desired and/or institute mechanisms for jointly managing related programs.

*Set common outcome measures*—Mandate that collaborating programs adopt common program objectives, standards, and methods for measuring outcomes.

*Consolidate intake*—Redesign policies, procedures, and information technologies so that applicants will be considered for benefits and services in several systems through a single application process. This reduces transaction costs to the applicant and improves access to multiple systems.

*Establish a team approach to case management*—Service providers and professionals from several programs work together with a family that has multiple issues.

*Consolidate job functions*—Expand the expertise of front-line workers so that they can handle responsibilities formerly distributed among several workers.

*Blend/braid funding strategies*—Use funds from several programs to support service delivery.

Yet picking from a list of tactics to address an identified operational problem and imposing the new solution through mandates from the central office leads to an all too frequent scenario: in a year or so, when nothing much has changed, people start looking around for someone to blame. We believe this too common mistake of confusing means with ends happens because those seeking change do not start in the right place and fail to fully appreciate the institutional implications of the proposed changes.

### Starting in the “right place”

A real-life story can show us one right place to start. In the late 1980s, officials in Kenosha County, Wisconsin, struggled as a pilot county for a new, work-oriented, welfare reform initiative. At first they referred clients to the Private Industry Council for training or labor market attachment services, but once the clients were referred, the county never knew what happened to them. No operational connection between the welfare and workforce systems existed.

The agency undertook an intensive assessment of what they needed to do to integrate the new work message into their welfare system, with assistance from researchers from IRP.<sup>2</sup> The assessment began with a simple set of questions. Who were their customers? What did their customers experience under current policies and procedures? What did they want to achieve with these customers? How would they have to transform the customer experience to achieve those outcomes? What kinds of changes in existing practice, administration, and policies would it take to achieve this transformed customer experience?

The reform process started with the simplest of exercises. Assume that you want to shift welfare from a system of giving out checks to a system that promotes work and independence. Well, what happens when an applicant walks in the front door? Literally, the Kenosha planning team sat down at a blackboard with key staff and “walked through” the customer experience, assessing how each step in the process contributed or detracted from what they wanted to achieve. They involved staff and other stakeholders in the analysis, not all of whom were willing coconspirators in the beginning. And they conducted a thorough review of their entire caseload so that they understood what customers actually experienced under ex-

isting protocols and administrative arrangements. Starting with the customer experience, they slowly reengineered their entire way of doing business to make it outcome-focused, participatory, and comprehensive. By 1990, Kenosha had opened up a one-stop Job Center that earned a national and international reputation, becoming the JOBS program of the year in 1992.

The Kenosha experience is not unique, but the agency was in many ways a pioneer in welfare reform and well illustrates steps critical to our emerging model of integration:

*Start with the population of interest.*

*Determine what you want to accomplish.*

*Continuously focus on the customer’s experience in the system.*

*Be inclusive and participatory in the analysis and planning process.*

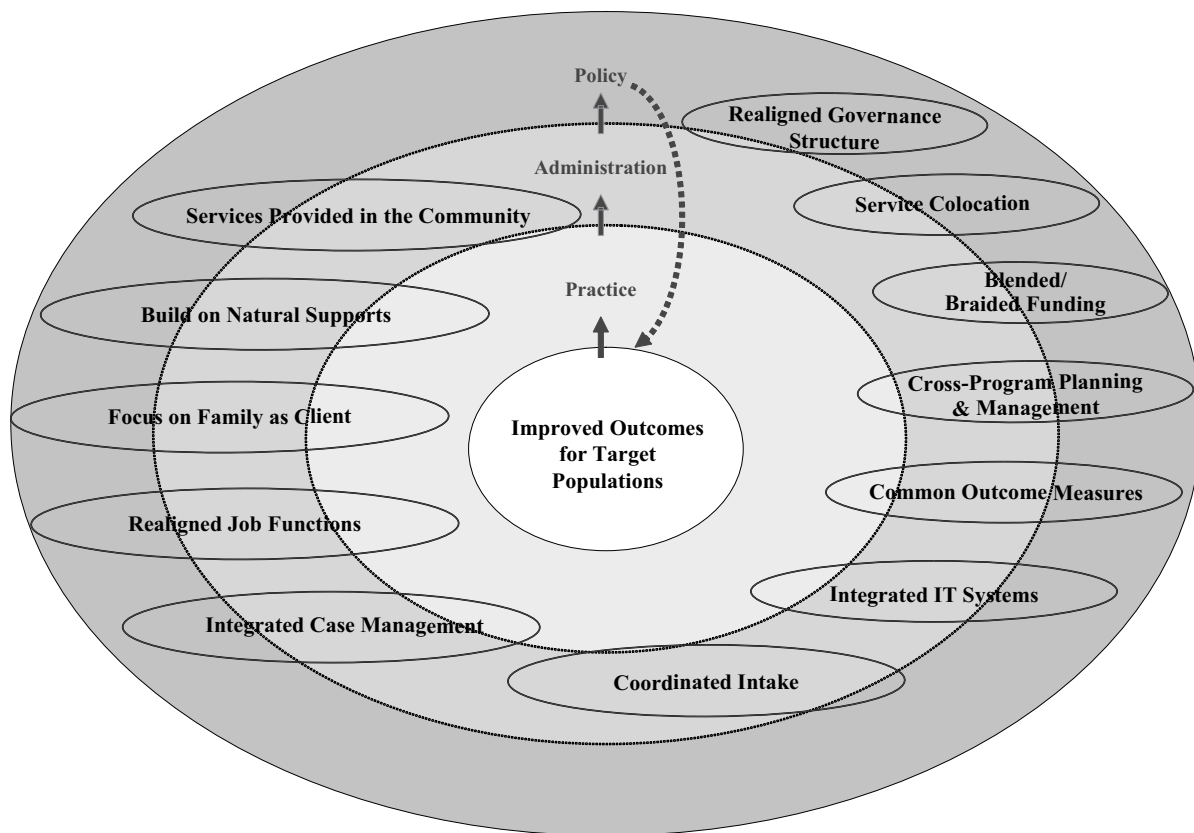
*Think through how **all** aspects of the relevant systems affect the customer’s experience.*

*Measure progress and continually adapt.*

These premises also serve as the foundation of the model to which we now turn our attention. The first part of this model, developed by James Dimas and James Fong of the Casey Strategic Consulting Group with input from members of the Service Integration Network (SINNET), is illustrated in Figure 1.<sup>3</sup> The graphic suggests that, when considering a service and systems integration project, the best place to start is with the target—a specific population and a set of goals tied to measurable outcomes such as healthy families, children ready for school, youth successfully transitioning to adulthood. Such goals are the driving force behind any systems integration vision; all else is tactics and strategy.

This point cannot be overstated. Integrating services should never be an end in itself, but rather a means to achieve better outcomes by transforming customers’ experiences through a new service delivery system and philosophy.

For example, the State of Utah, which had successfully integrated its TANF and workforce development systems starting in the late 1990s, decided that it wanted to better integrate the TANF/workforce program with social service systems that had not been part of earlier integration efforts on behalf of particularly troubled populations. Rather than throwing these large service systems together by administrative fiat, state officials selected a specific target population—youth aging out of foster care—and focused on a limited set of outcomes that, they believed, would facilitate a better transition to independent living as self-sufficient adults. This seemingly modest reform agenda already is demonstrating broader possibilities for



**Figure 1. A conceptual framework for service integration, part 1.**

**Source:** The Annie E. Casey Foundation, Casey Strategic Consulting Group.

cooperation and collaboration across systems that previously were housed in separate state agencies.<sup>4</sup>

As with other aspects of the model, simple points can obscure important complexities. By definition, systems integration involves more than one program, organization, or system. This implies different customer foci and programmatic purposes. In the real world, what does this complexity suggest about how to think about the inner circle in Figure 1?

*Suggestion 1.* In getting started, consider societal outcomes that exceed the purview of existing, more narrowly focused programs. Larger goals, such as improving the proportion of children ready for school, that tend to exceed the responsibility of any one existing agency create a different dynamic.

*Suggestion 2.* One place to begin is with the current caseloads of the programs you think might be essential partners. How many families are being touched by different programs and agencies? The realization that programs and caseloads overlap sometimes keeps questioning partners at the table.

*Suggestion 3.* Existing programs often define their clients narrowly, as a child or adult “case” with a specific prob-

lem. In shifting to an integrated systems framework, it helps to conceive of cases differently, perhaps as a whole family rather than a group of individuals with different problems who happen to be related.

Figure 1 suggests a second important point. Everything else we normally associate with the design and management of social welfare systems is, in effect, supportive of the ultimate objective at the center of the concentric circles. Practice, administration, and policy must all be aligned properly if integrated service delivery is actually to be achieved. Practice can be thought of as the way various programs and systems interact with their customers and provide benefits and services to them. Administration encompasses management and the physical layout of agencies and systems. And policy encompasses the rules governing how programs are to operate and what is expected of customers.

Real life is more complicated. Policy, for example, might be further divided into internal regulations and practices (which are easier to change) and the external policy environment (rules imposed from outside the agency) which might be less susceptible to change. Still, the basic point remains the same. Starting with what you want to accomplish and for whom, you must think through what that means for how your systems interact with families, how

your administrative practices and management protocols support the new expectations, and how policies and the overall policy environment conform to the new mission.

What does this mean in reality? At one level, as in the Kenosha example, it means disaggregating the customer experience into all of its discrete parts and considering the signals or messages that members of the target population receive about the programs and the agencies through which the benefits and services are delivered. How does the system assess what customers really need; how does the customer who needs multiple services actually access that help; and how are distinct services blended into a coherent service plan? How are changes accommodated and problems addressed? How are communications and data sharing among workers handled? And finally, how is success or failure monitored and determined, especially after customers leave the system?

Another example comes from San Mateo County, California, where officials aggressively pushed service integration across a wide variety of TANF, workforce, and traditional human services. To be sure that services were accessible and that, for families with multiple challenges, they would be delivered through a single, coherent case plan, San Mateo made many changes. To make services available to vulnerable children and their families, they outstationed service providers in high-risk schools. To make case management work better, they instituted a cross-team network of service providers for consultation and problem solving. To help develop policies that cut across traditional program lines, they implemented a matrix management capacity in which area service directors also assumed responsibility for knowing about specific programs or program components. Management meetings then became opportunities for assessing how policies in one program interacted with policies in other programs.

As with Kenosha and Utah, San Mateo is not unique. But it is an excellent example of how officials thought through the implications of service integration for practice, administration, and policy.

### **Conceptually mapping the institutional implications of integrated services**

In considering integrated services, we must think both horizontally and vertically. Thinking horizontally demands that we recognize that there is an implicit life-cycle for the relationship between a customer and a system—a sequence of events and interactions that play out over time. Proposed changes must be grounded in what the customer will experience at each stage of that hypothetical cycle (the life-cycle concept is discussed in the companion article in this *Focus*).

As one goes through this exercise, it is possible to identify key points where things will break down. For example, where coordination of selected services is a goal

but programs are in different locations, how will customers get from point A to point B? The answer is often, as previously noted, to collocate. But collocation may reduce the physical challenges to collaboration while leaving untouched other impediments to integration—professional jealousies, institutional turf issues, or differences in language and technology. Thus, it is important to consider where something can go wrong and anticipate corrective solutions.

*Suggestion 4.* In assessing how the creation of a new customer experience will be affected by existing practice, administration, and policy, “walking in my shoes” mental experiments can be extremely helpful. What has to change in existing practices and protocols at the interface with the customer? What changes in management practices are needed to support the practice changes? How does the physical layout have to be altered, or accounting and information technology systems updated?

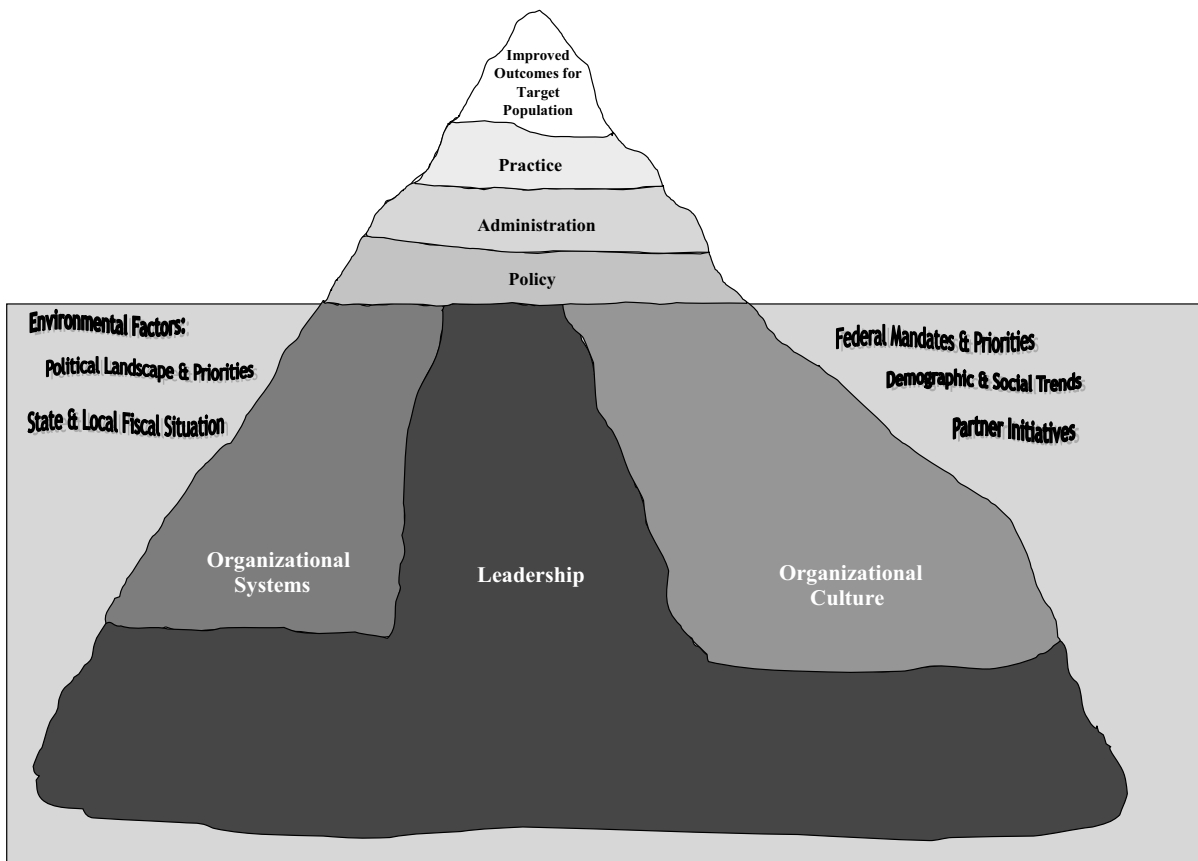
*Suggestion 5.* In thinking through the implications of proposed changes, use focus groups, inclusionary brainstorming sessions, and any other techniques that can obtain information and creative ideas from throughout the affected programs. Through this experience, but more connections will be made and final buy-in is more likely.

Figure 1 makes another point that may not be obvious. The smaller ovals within the larger circles are the tactical solutions often employed to achieve integration. We argued above that off-the-shelf tactical solutions are unlikely to achieve the changes in deeper structures of a milieu necessary to really transform the way business is done. So we must also think vertically, examining how microprocesses or worker-customer interactions are influenced and shaped by higher-level (macro-level) institutional functions that presumably should support those interactions—management style, information technology, professional training, legal and accounting functions. If policies are not aligned, or intake staff not trained well enough, or no one can figure out how to blend resources with imagination, comprehensive services for challenged families will remain a mirage.

### **The iceberg model: Thinking through the meaning of institutional milieu**

This brings us to the second part of the model, which demonstrates how an exploration of the deeper dimensions of institutional milieu can advance the service integration agenda. The first part of the model, illustrated in Figure 1, represents the tip of the “iceberg;” the second part of the model, illustrated in Figure 2, illustrates how many important institutional dimensions lie below the “water line.” The iceberg image illustrates a seminal insight that we have observed in working with our more ambitious and reflective “lighthouse” sites<sup>5</sup>—what we see





**Figure 2. A conceptual framework for service integration, part 2.**

**Source:** The Annie E. Casey Foundation, Casey Strategic Consulting Group.

as the obvious things that must be changed when bringing “siloes” programs together do not touch upon all that is important to ultimate success.

Development of this facet of the model started by examining the common mistake we have already noted: Too many policy entrepreneurs have assumed that true integration is achieved by introducing a few of the conventional tactics and strategies associated with service integration.<sup>6</sup> Starting with the question we have already considered, “What do you want to achieve and for whom?” the iceberg model offers a process for determining how the drive to integrate should shape every other dimension of an emerging system’s structure and processes or, alternatively, help identify constraints that should shape what is attempted. It pushes us to ask: “How does the underlying institutional milieu of each potential system partner fit within the proposed integrated model?”

When introducing an integrated service system, most planners are likely to think about and probably include modifications to practice protocols, administrative systems, and policies. These are the factors “above the water line,” visible to practitioners of public policy.

By focusing on these issues, however, we may miss much of what is important to the potential success of reform efforts. The iceberg model suggests that three contextual dimensions “below the water line” shape how individual organizations and systems operate, and therefore ultimately shape whether integrated service delivery will be achieved. These dimensions are *leadership style*, *organizational culture*, and *institutional systems*. They can generally be thought of as follows:

*Leadership style*—Who creates and articulates the vision for change? How well is it communicated, internally and with the outside world? How are responsibility and authority shared? Where do leaders look for input? How do leaders deal with impediments and obstacles, and how well do they see and exploit opportunities?

*Organizational culture*—How do the people in any program or agency perceive themselves and others? How do they communicate with others in their program, or others they professionally relate to, and what vocabulary do they use? What are the basic rules that govern institutional life?

*Organizational systems*—What infrastructural supports does a system have available to it, and how flexible and adaptive are they? How restrictive are the rules and protocols that govern the lifeblood of institutions—money and information?

The implicit message of the iceberg metaphor is simple. Each separate program that is considering collaboration must first look at what is going on below its own water line. Then some hard questions must be addressed. How well do its deep dimensions comport with what we know about pursuing systems integration?

*Suggestion 6.* Each individual program should go through some form of assessment. Can its core technology, the organizational tasks most closely associated with achieving the program's purposes, best be described as fully routinized, partially routinized, or nonroutinized? How is the core technology reflected in leadership style, the organization's culture, and its institutional systems?

Ideally, planners would perform a comparative analysis where the compatibility of the systems they propose to integrate is compared. Program A focuses on eligibility issues and accuracy, program B on improving family functioning. In program A, workers are punished for making mistakes; in program B they are rewarded for customer success. In A, the manual is everything. In B, managers encourage worker input.

If these systems are brought together, workers and managers are likely to be confounded by the styles of their new partners; at the worst, relations may sink into acrimony. Bringing together organizations where the fit is less than ideal may require considerable retraining of staff, or repeated sessions where staff and managers can work out differences and form new understandings. When the divide between institutional milieus is too great, perhaps functions have to be realigned or new staff brought in.

A number of years ago, officials in El Paso County, Colorado, initiated a fundamental transformation of their public assistance and child welfare systems. Their widely acclaimed reforms were based on a deceptively simple set of propositions. TANF would be reconfigured as a strategy for early detection and intervention of children (and families) at risk of entering the child welfare system. The child welfare system, in turn, would broadly be reconfigured as an antipoverty and community development strategy.

Radically changing the core technologies of the TANF and child welfare systems demanded that front-line workers of each system incorporate new skills, behaviors, and expectations. TANF workers, particularly in the early years, were little more than paper processors. Child welfare workers operated as "investigators" who were brought in long after problems had spun out of control.

Early intervention and problem prevention were concepts with which they were neither familiar nor comfortable. In the end, many of the original workers left, or were reassigned to other tasks. Ultimately, the county was able to create an institutional milieu that supported their new vision, but with considerable effort.

Knowing each program is not the same as knowing what to do with that information, nor is each deep or embedded dimension equally suitable for an integrated service model. The greatest challenge comes when systems with very different milieus are integrated, making it likely that many friction points will need to be addressed. This can also be viewed as an opportunity to create an imperative for change. Some types of leadership, organizational cultures, and institutional systems are better than others, at least when considering cross-systems innovations. We need not just leadership but a kind of *effective leadership* that has certain identifiable characteristics. All organizations have an underlying culture, but what we need is an *empowered organizational culture*. Finally, all programs have institutional systems, but what we need are *effective systems*. Effective leadership, an empowered (or empowering) culture, and dynamic systems can mean very different things to different people. In a future *Focus* article, we will take up these issues.

In sum, improving outcomes and transforming the experience of customers or target group members should be the driving vision behind any integration effort. Policy, administration, and practice are the visible levers, those parts of the iceberg that can be viewed above the waterline, to be manipulated in order to achieve that transformation. The contextual dimensions—leadership, organizational culture, and institutional systems—are the factors below the water line that support and nurture systems change. And in terms of our iceberg model, the central questions we must answer are:

1. First and most important, the pinnacle of the iceberg: "What do you want to accomplish?" Do you want to save money, improve family outcomes?
2. What sequence of steps and actions, above the water line will lead to what you want to achieve?
3. Do we have goodness of fit between your model above the water line and your institutional milieu below the water line?
4. What strategy do we need for bringing these two into some correspondence?

### **Why is institutional milieu so important?**

We continue to pursue cross-systems integration, not because it is easy, but because it strikes so many of us as a better way to organize and deliver human services. The underlying current of the welfare reform movement over the past two decades is that helping the disadvantaged is

no longer about handing out a check. That task government knows how to do well. The emerging challenge is to change how individuals behave, how families function, and how communities afford supportive environments in which to raise healthy and productive children.

When the policy entrepreneurs in Kenosha County began to pursue their vision of reform in the late 1980s, they merely wanted to nudge welfare in the direction of encouraging work. They soon found that to do that well, they had to create a new organizational form—a one-stop Job Center that blended staff from the welfare and workforce development systems so well that traditional program distinctions evaporated. Fast forward to the White Center community in southern King County (Seattle), Washington, an area embracing many disadvantaged ethnic and immigrant communities.<sup>7</sup> They also opened a one-stop human service center in the fall of 2004. But their vision of reform goes well beyond encouraging work attachment, which it does, to include a broader engagement of the entire community in transforming the environment in which resident families live.

The visions of change contemplated in the White Center community and in many other of the lighthouse sites we have visited over the past two years embrace historically ambitious agendas. To realize such visions, business as usual cannot prevail. Agency workers operating in their distinct and separate organizations cannot create the seamless and coherent service systems that will be the bedrock of future social assistance in this country. ■

Workforce Development bureaucracy and the human services bureaucracy.

<sup>5</sup>Lighthouse sites are local and state sites where innovative work on service integration has taken place. A number of these sites participated in meetings to share insights and problems with one another and to help those at national level to think more clearly about how best to advance this agenda.

<sup>6</sup>See M. Ragan, *Building Better Human Service Systems: Integrating Services for Income Support and Related Programs*, a report prepared for the Annie E. Casey Foundation's Strategic Consulting Group, June 2003.

<sup>7</sup>Some of the early impetus for this reform effort can be attributed to the Annie E. Casey Foundation undertaking called the *Making Connections Initiative*. This project was designed to work with selected communities to facilitate a dialogue among and within community stakeholders in order to promote and encourage community development.

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<sup>1</sup>J. Sandfort, "Why Is Human Services Integration so Difficult To Achieve?" *Focus* 23, no. 2 (Summer 2004): 35.

<sup>2</sup>The team from the Institute for Research on Poverty included Larry Mead, Michael Wiseman, and Tom Corbett.

<sup>3</sup>SINNET is a group of individuals representing several organizations who are collaborating in efforts to advance the service integration agenda. Key members of SINNET include Tom Corbett (IRP), James Dimas and James Fong (Casey Foundation Strategic Consulting Group), Susan Golonka (NGA Center for Best Practices), Jennifer Noyes (IRP and the Hudson Institute), Mark Ragan (Rockefeller Institute of Government), and Courtney Smith (NGA Center for Best Practices). Early versions of the iceberg model were repeatedly reviewed by SINNET and vetted at several forums during the 2004 calendar year, including a meeting of lighthouse sites in late March, the NGA Policy Academy on Cross-Systems Innovation in mid-April, and a meeting of the Midwest Welfare Peer Assistance network (WELPAN) in May.

<sup>4</sup>This project was one of six selected as part of the NGA Policy Academy on Cross-Systems Innovation. Three members of SINNET (Susan Golonka, Jennifer Noyes, and Tom Corbett) completed a Utah site visit in December 2004. It was already apparent that the planning work for the original target population of interest was revealing other areas where collaboration across systems was likely to happen. For example, a web site was being developed through which all youth in need of help, not just youth aging out of foster care, might find out about available programs and services that cut across the TANF/

# Cross-systems innovations: The *line-of-sight* exercise, or getting from where you are to where you want to be

Jennifer L. Noyes and Thomas Corbett

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***Line of sight:* In order to view an object, you must sight along a line at that object; and when you do light will come from that object to your eye along the line of sight.<sup>1</sup>**

The conceptual framework presented in the companion article on the importance of institutional milieu in human services organizations (pp. 28–35) raised four central questions. These questions are:

1. What is to be accomplished, and for whom?
2. What tactics and strategies will lead to the desired outcomes?
3. Is there a good fit between the tactics and strategies chosen and the institutional milieu of each potential partner in the integrated vision?
4. What strategy is needed to bring these two into correspondence?

These questions must be addressed in order to develop an integration strategy that will improve the outcomes and transform the institutional experience of members of a targeted group.

The questions may appear to be straightforward, but our work with local sites suggests that, all too often, only superficial consideration is given to the first two questions and little or no consideration to the last two. As a consequence, the steps necessary to accomplish the intended broad outcomes are inadequately delineated.

Our experience indicates that there is an effective methodology for meeting the challenge posed by these questions. Essentially, this can be done by developing a “line of sight” that clearly shows the path from the point at which one stands to the intended outcome. It is possible, we argue, to develop such a line of sight through the use of an outcome sequence chart, which is a linear, graphical depiction of the relationship between the events and activities in a participant’s experience within the integrated program and the program benchmarks that define the

participant’s progress to a successful outcome. This line of sight needs first to be established from the participant’s perspective. Only then can a second line of sight be developed that will focus on implementing the tactics and strategies necessary to the outcomes that are sought. In the rest of this article, we explicate the steps in this process.

## Restating the challenge of integrating services

Over and over again in our work on service integration, we have come up against a sobering conclusion—that pursuing the integration of human service programs is very hard and is fraught with challenges. Those who have managed to put together exemplar one-stop job centers or other integrated service models in places such as Kenosha County, Wisconsin, El Paso County, Colorado, Montgomery County, Ohio, and San Mateo County, California, emphasize the extraordinary challenges they faced. They also often note how many visitors express admiration for their work and indicate an interest in replicating their models, yet appear unable to translate that interest into sustained and successful action.

From case studies of a number of exemplar sites—we have dubbed them “lighthouse” sites—Mark Ragan concluded that “service integration is a combination of strategies that simplify and facilitate client access to benefits and services. Each site has implemented a distinctive mix of strategies, processes, and partner agencies.”<sup>2</sup> Ragan also stressed that there is no single model of service integration: each initiative is driven by local circumstances and preferences. Thus, each new model typically is developed afresh and not simply taken ready-made off the shelf. This may explain, in part, why model programs are not replicated as often as we might anticipate.<sup>3</sup>

Too many policy entrepreneurs navigating the myriad policy and practice choices in integrating human services programs are confounded by the sheer number of the available tactics. They end up confusing means with ends, assuming that if one or more of the conventional tactics and strategies associated with service integration, such as collocation or a single service plan, is implemented, then true integration will be achieved. In effect, planners lose sight of the underlying purpose of service integration or never appropriately develop it as they make tactical choices and rush ahead with the technical details.

For all its difficulties, service integration remains a potentially very fruitful goal. Despite our stress on the individualized character of local models, neither a large planning staff nor extensive technical assistance is necessary to achieve it. We can think about systems integration in ways that are, in fact, quite modest and practical. In particular, to develop models that have a realistic chance of success, we believe that one must carefully dissect the proposed system, tracing just how each innovative policy, institutional arrangement, or new protocol will alter a participant's experience in ways that actually lead to the changes hypothesized. To do this, there must first be a coherent and compelling theory of change that would lead a dispassionate observer to accept the premises upon which the model is based. In short, systems designers must develop a narrative, essentially tell a story, which is linear yet sufficiently nuanced to be plausible, given the underlying complexity of the innovation.

### **Start with the ends rather than the means**

Unlike traditional stories, the service integration narrative begins with the ending. What is the population of interest, and what is to be accomplished? On the basis of our prior work with established lighthouse sites and those on the path to integrated services, we have identified these two points as the most important focus of attention in this early stage of formal planning.

First is the population of interest. Most existing programs concentrate on specific populations or a specific benefit or service to be delivered. Integrated service models invite policy entrepreneurs to think more broadly, to focus on the needs of expanded populations, such as families rather than individuals, and on issues that cut across multiple challenges, such as self-sufficiency rather than transportation. Careful delineation of the target population is an essential preliminary to articulating what is wrong with the current configuration of programs and services for this population.

Second is the outcome. Define what is to be accomplished. Most categorical programs try to narrow their goals in the name of better accountability. They also tend to focus on process or input (effort) measures, which are easier to achieve. In contrast, by their nature integrated service initiatives drive the articulation of broader goals that span multiple existing programs.

Over time, design and planning processes are likely to become overwhelmed by crises or political concerns and resource questions, and it is easy to lose sight of original purposes and underlying motivations. If the population of interest and the intended outcomes for this population are first clearly defined, it is much more feasible to keep them in the forefront as the process of change evolves.

### **Figure 1 Selected Service Integration Tactics**

*Develop a single service plan*—Enable service providers and professionals from several programs to work together with a family that has multiple needs to develop a single case plan for activities and related services.

*Collocate services*—Physically locate distinct programs in the same building.

*Realign governance structures*—Institute common managers over programs where collaboration is desired and/or institute mechanisms for jointly managing related programs.

*Set common outcome measures*—Mandate that collaborating programs adopt common program objectives, standards, and methods for measuring outcomes.

*Consolidate intake*—Redesign policies, procedures, and information technologies so that applicants will be considered for benefits and services in several systems through a common application process.

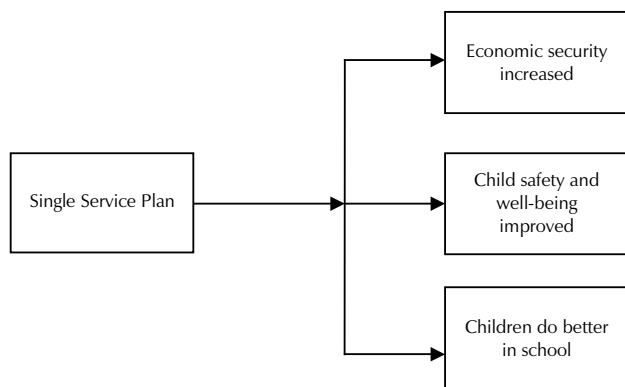
*Consolidate job functions*—Expand the expertise of front-line workers so that they can handle responsibilities formerly distributed among several workers.

*Blend/braid separate funding streams*—Use funds from several programs to support service delivery.

### **Replace tactical solutions with strategic thinking**

Once the target population and the outcome desired for it have been determined, the next step is to articulate clearly how that outcome is to be achieved. In our experience, the biggest barrier to completing this step is mistaking tactical choices for strategic thinking. Those pushing a vision of service integration are too easily seduced into believing that one tactic or a particular set of tactics (Figure 1 gives some typical examples) will lead to the desired outcomes, without clearly thinking through whether they really can get “from here to there” by adopting the tactics proposed.

Figure 2 presents this difficulty in highly stylized form. Three broad purposes have been identified and a specific tactical approach—in this case, Single Service Plan—has been identified for achieving these purposes. That is, it is assumed that implementing a Single Service Plan will



**Figure 2. Linking a tactic to outcomes.**

improve family economic security, child safety and well-being, and school achievement.

This simplistic approach to pursuing service integration, drawn from an actual example of an integrated service initiative, has at least one glaring flaw: a failure to explain why one would reasonably expect the transformed experience of program participants under a Single Service Plan to result in the desired outcomes.

Basically, it may not be difficult to implement a Single Service Plan (or any other service integration tactic noted in Figure 1). But it is necessary to tell a convincing three-part story about what is being done. First, how will the implementation of such a tactic (or set of tactics) transform the program participant’s experience? Second, how does this new service trajectory fundamentally differ from what participants would experience if their services were delivered through the traditional, categorical, “siloed” programs? And third, how does this altered participant experience lead to the intended outcomes? Too often, this linkage cannot be articulated.

In the final analysis, integration is not an end in itself. Specific tactics are merely tools for achieving broader management purposes. Those purposes must be well articulated and consistently employed to inform and motivate program design and implementation. This is the second step in the process: developing a “line of sight” that links the changes to be made to the outcomes intended, first from the perspective of a participant (in some systems called a customer) and then from an institutional perspective.

### **Establish a line of sight from the participant’s perspective**

There is an old axiom that we do not understand something if we cannot tell it to others. We have found this axiom holds true: sites do not really know what they are

trying to accomplish through the integration of services until they can tell a story about it. This narrative-development exercise is the first step in establishing a clear line of sight between the outcomes that have been established for a particular target population and the tactics that are adopted.

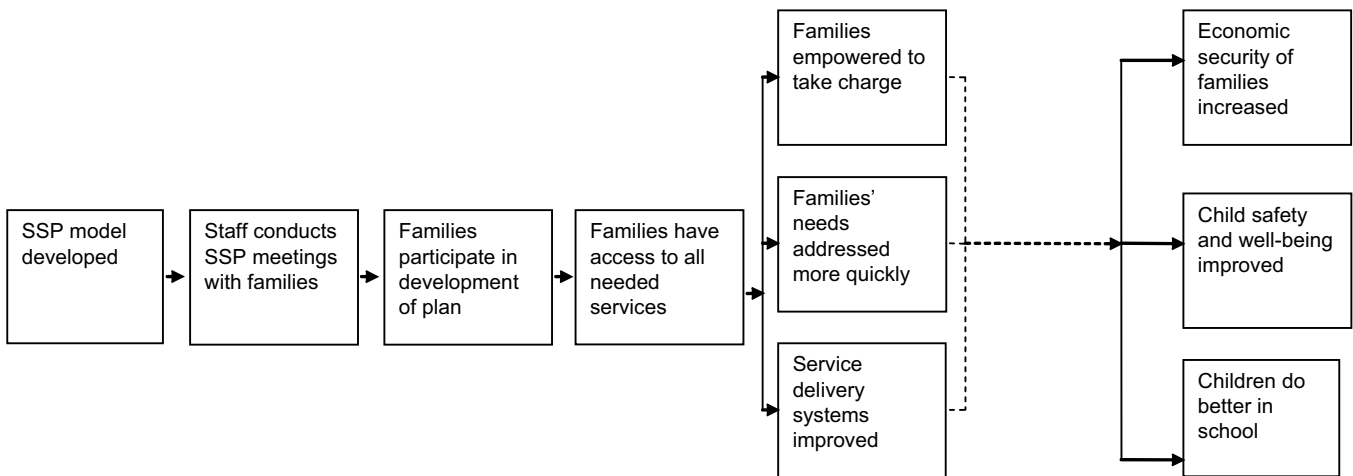
Developing such a narrative requires that we recognize an implicit “life-cycle” to the relationship between participants and the system. This life-cycle can be thought of as a sequential set of events, interactions, and decision points that play out over the period of an individual participant’s experience with the innovative service delivery model. The key question here is what the new system will look like from participants’ perspectives. Will it be qualitatively different from what they now experience?

To answer this question fully, we want to create a story centered on what participants are likely to experience as each important step in the new system is crafted. How will members of the target population know about the system? What happens when they walk in the “front door”? What happens next? Although one cannot know with certainty what a given participant or family will experience in the new system, it should be possible to map out modal scenarios for what typical families might experience if the innovation were operating as intended. At a minimum, such a life-cycle includes the following (and the systemic equivalent): awareness of the program (signaling and outreach); the front-end experience (application, diagnostics, and routing to key services); service delivery and ongoing case-management (progress monitoring and problem resolution); and exit strategies (determining success and follow-up).

Once there is a basic understanding of the participant’s perspective in this new system, then there is an opportunity to test the theory of change implicitly embedded in the new model. Will the proposed strategies regarding the participant’s experience actually lead to the desired outcomes? Thus, the second step in developing a line of sight is to place the narrative describing the participant’s experience in the context of the system outputs and outcomes through the use of an outcome-sequence chart. For example, if the integrated system is supposed to deliver multiple services to at-risk families before crises develop—if it operates from a prevention perspective—then the outcome-sequence chart ought to reflect how specific protocols and procedures lead to those ends. If the driving purpose behind systems integration is to strengthen families in ways that will lead to more productive attachments to the labor market, then the systems design features should relate to those outcomes.

Benchmarks at different points can be used to test if the new model and the service modifications that embody it are really resulting in a changed participant experience. These include:

Inputs/Activities → Process Outputs → Intermediate Outcomes → End Outcomes



**Figure 3. Kenosha County Single Service Plan (SSP) outcome-sequence chart.**

**Note:** The dotted line shows areas in which the narrative requires further development.

- **Inputs/Activities:** This set of benchmarks is intended only to determine whether the activities thought to be pivotal to the functioning of the new model are in place.
  - **Process outputs:** These are the immediate benchmarks, largely rooted in changes in the way the integrated system does business, that serve as reasonable proxies for change in the quality and character of the participant’s experience. Are participants more actively involved in developing service plans? Are service plans more comprehensive, dealing with multiple issues simultaneously? Are services delivered more coherently, or with less duplication of effort? Are plans individualized to the circumstances of the families? Do we have evidence of improved operational efficiencies?
  - **Intermediate outcomes:** These are typically measures of participant behavior or circumstances, although they might include measures of community functioning. What distinguishes outcomes from outputs is that they are rooted in changes in the target population of interest, not in changes in how the system operates. Theoretically, we can differentiate these outcomes into short-term and longer-term measures. Short-term measures typically tap behaviors and circumstances that can plausibly be captured while people are participating in the program or within a reasonably short time after exit. Longer-term outcomes include some “sleeper” measures that may not be evident for some time after participation in the program, e.g., the return on an investment in early childhood development might not be fully realized for several years.
  - **End outcomes:** Finally, some system goals are clearly longer term in character. A few may be intergenerational (e.g., building stronger families is expected to pay dividends as children mature into adulthood). Although these longer-term goals may not lend themselves to shorter-term assessments of effectiveness, they are useful in shaping how the system ought to be designed and managed. They provide an ending for the narrative development exercise.
- In effect, for each event, interaction, and decision point in the narrative describing the participant’s experience, the outcome-sequence model is intended to force answers to the following questions: Why are you pursuing that particular strategy? How does it contribute to the outcomes being pursued? At the same time, this process implicitly asks what can go wrong and what can be done in response.
- In laying out the outcome-sequence chart based on the participant’s theoretical life-cycle within the new model, we typically move from left to right. On the far left are some of the activities we view as instrumental to the functioning of the model. We then move through the process changes anticipated to the intermediate outcomes they are expected to produce, and then to the final intended outcome. In following this process, it is possible to see clearly the critical junctures for movement along the sequence, determine where gaps in the line of sight may exist, and ensure that benchmarks of progress toward the end outcomes are established, and ultimately met, along the way.

Figure 3 provides an example of an outcome-sequence chart based on the initial vision of Kenosha County, Wisconsin, which is currently a pilot site in Wisconsin's effort to better integrate the provision of services to families that are interacting with both its TANF and child welfare systems. This example also includes a Single Service Plan as part of the model, but provides more direct links between this tactic and the expected end outcomes than Figure 2. As the dotted line between the intermediate and end outcomes indicates, it still does not include a complete narrative of how the end outcomes will actually be realized as a result of the changes made to the system. Nevertheless, it was only by going through this exercise that those responsible for the integration effort were able to realize that additional effort was needed to ensure that a line of sight between the tactics being pursued and the end outcomes was fully established. This process is currently under way.

### **Establish a line of site from the institutional perspective**

Once the line of sight has been established from the participant's perspective, then it is necessary to consider what institutions must do so that this path can be followed. What changes are needed in institutional practice, administration, and policy to support the transformation in the participant's experience? This is a narrative that must be "told" from the perspective of the engaged institutions.

Several different aspects require consideration. First are inputs and resources. What staff, skills, expertise, money, space, and the like are needed to make the system work for participants? Is the right mix of resources available in the right places, at the right times, and in the right amounts? Next, what central events make up the sequence of experiences in the participant's life-cycle within the new model? What needs to be modified to ensure these events occur? Planners and implementers of cross-system innovations must consider tasks, or discrete events, carried out by staff and/or participants (e.g., complete an application, take a diagnostic test, hold a participant-centered team meeting); activities, such as participant interactions that take place over time (e.g., participate in a training or therapy regimen); and decisions or choices made by staff or participants that shape the future course of the participant's experience within the model.

Ultimately, there must be some logic to the inputs and resources put in place, to the sequence of tasks, activities, and decision points, and to the outputs and outcomes that are hypothesized. For example, if the model calls for sophisticated diagnostics to be carried out early in the participant's experience within the model, is the necessary expertise in place to do such assessments (a resource/input issue)? If the model contains a key decision

point at which participants can subsequently be referred along different service paths, is it reasonable to assume that they will actually participate as expected? Does the model include features to facilitate and monitor desired behaviors, incorporate the right incentives, and so forth? When you consider the resources and processes that have been marshaled and put in place, do the anticipated outcomes (intermediate and long-term) seem reasonable?

Take, for example, the second activity included in the initial outcome-sequence chart developed for the Kenosha pilot program. This activity simply states: "staff conducts SSP meetings with families." A number of questions need to be addressed to ensure that this activity actually occurs, including but not limited to: Which staff? How often? At what location? On how timely a basis? Or, consider the process change, "families have access to all needed services." How will this be facilitated? By whom? Are there enough resources to ensure "all needed services" are available?

This is the line-of-sight exercise from the institutional perspective. Like the exercise from the participant's perspective, it provides the linkage between the institutional changes that need to occur and the intended outcomes, and it is essential to determining the changes necessary for those transformations to take place.

In our work with sites engaged in service integration, we have found that this exercise, envisioning in considerable detail what is needed for the outcome-sequence chart to work as intended, is critical. But although many sites can and do develop detailed task plans of what needs to change in order to implement a service integration strategy, they very often fail to develop these plans in the context of an outcome-sequence chart developed from the participant's perspective. As a result, operational strategies may be pursued that have no direct bearing on the participant's experience, and thus no direct linkage to the outcomes desired. This makes it very difficult for the organizations actually to realize the outcomes hypothesized in the model.

### **Determine feasibility: Can you accomplish it?**

The final step in the process is to consider the outcome-sequence chart in the context of the institutional milieu. Is what has been proposed realistic in light of the underlying institutional milieu, the deeper, often hidden dimensions of each potential system partner within the integrated model? What barriers and challenges to the implementation of the proposed actions may arise as a result of the underlying institutional milieu? The exercise of answering these questions involves more than laying out a linear sequence of events, activities, and decision points. It involves thinking through whether the leadership, institutional systems, and organizational cultures can support the proposed actions.



In each of these areas many questions must be considered. Here are a few examples:

- Related to leadership: Are the underlying assumptions about political support reasonable? Can power be effectively shared across systems? Does the authority actually exist to make these changes? Is there a champion who can clearly articulate what needs to be accomplished and why it needs to be accomplished?
- Related to institutional systems: Is program planning and accountability outcome-driven? Is training responsive, relevant, and ongoing? Is the information technology environment conducive to innovation? Is financial management flexible and accountable?
- Related to organizational culture: Are staff committed to a shared organizational vision? Do staff understand their leadership role in promoting outcomes? Is continuous improvement expected? Do staff know what is expected of them?

For the purposes of the line-of-sight exercise, it is most important to consider the proposed plan for integration, regardless of how well thought out it may be, against the

current operating environment. As noted in the companion article, policy entrepreneurs must be very sensitive to different ways that programs and systems do business if they are to be successfully melded. In the end, if the plan is determined to be unrealistic, either it must change or a significant effort must be made to alter the existing operating environment to support the intended changes. This issue will be taken up in a future *Focus* article. ■

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<sup>1</sup>A definition taken from a physics tutorial, at <http://www.glenbrook.k12.il.us/gbssci/phys/Class/refln/u1311b.html>.

<sup>2</sup>Mark Ragan, "Building Comprehensive Human Service Systems," *Focus* 22, no. 3 (Summer 2003): 58-62.

<sup>3</sup>At a meeting organized by the Service Integration Network, Don Winstead, then an official in the U.S. Department of Health and Human Services and currently Deputy Secretary of the Florida Department of Children and Families, talked at length about how state officials use "lighthouse" sites. States, he noted, do not replicate such models in a whole-cloth fashion. Rather, they extract, in his terms, the "DNA" of the pilot and let it develop on its own course in the particular home environment to which it will be transferred. Thus, the resulting replication will never look like the original pilot but one can be assured that the lighthouse site did in fact inform the new offspring.

### **Area Poverty Research Center Agreements for 2005–2007 Announced**

Three Area Poverty Research Centers will receive funding from the U.S. Department of Health and Human Services (DHHS) through a competitive program first established in 2002 by the Office of the Assistant Secretary for Planning and Evaluation.

The Institute for Research on Poverty (IRP) at the UW–Madison and the University of Kentucky Center for Poverty Research (UKCPR) in Lexington were both awarded three-year grants in 2002 and again this year. The third group to receive support is the West Coast Poverty Research Center (WC/PRC), a new collaborative venture linking the School of Social Work and the Evans School of Public Affairs at the University of Washington with the UW Departments of Economics, Sociology, and Geography. WC/PRC will also collaborate with the Public Policy Institute of California in dissemination and other activities.

At IRP (<http://www.irp.wisc.edu/home.htm>; director, Maria Cancian), the award will support longstanding research, mentoring, and dissemination activities (including *Focus*), in addition to new research initiatives designed to shed light on three contemporary issues in social policy: changing family structure in the United States and its implications for the design and evaluation of public policy; the challenges confronting poor families striving to achieve self-sufficiency and ways in which government and the private sector can contribute to its achievement; and the reorganization of social policy practice in the United States, in the wake of the profound changes in policy goals, governance, and funding during the 1990s. As an Area Research Center, IRP will incorporate a regional focus on the upper Midwest.

UKCPR (<http://www.ukcpr.org/Index1.html>; director, Jim Ziliak) will continue to target its research, mentoring, and dissemination efforts on the issues of poverty and inequality in Kentucky and the 16 states comprising the southern United States. Low-income populations in the South face a different set of challenges than comparable groups in other parts of the United States; these are manifested in a host of economic and social disparities including higher rates of poverty, inequality, and welfare-program utilization. The center's emphasis on the challenges facing these populations, as well as the market and non-market-based opportunities for economic and social mobility, is intended to aid local, regional, and national policymakers in the design of antipoverty programs and policies.

The WC/PRC will be a hub for research, education, and policy analysis leading to greater understanding of the causes of poverty in the west coast states. In the inaugural year, the center will focus on the theme of "The Second Generation: The Economic and Social Well-Being of Children of Immigrants on the West Coast." Marcia Meyers, Associate Professor of Social Work and Public Affairs at the University of Washington, will serve as the center's Director.

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