POVERTY, THE UNDERCLASS AND PUBLIC POLICY

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Professor Mary Corcoran
406 Lorch Hall 764-9517
Office Hours: Thursday 1:00-3:00
Other times by appointment
Website: http://www.ctools.umich.edu

This seminar will examine the nature and extent of poverty in the U.S., its causes and consequences, and the antipoverty effects of existing and proposed government programs and policies. The types of questions to be addressed include the following:

What is poverty? Who are the underclass? Why is poverty so persistent? Is there a culture of poverty? Why are poverty rates for minorities so high? What are the interrelationships among poverty, family structure, inner city neighborhoods, crime, labor market conditions and public policies? Is poverty passed on from generation to generation? How has welfare reform changed the playing field? What are the effects of neighborhood, housing, education, labor market and welfare policies on poor adults and children? How might these policies be better designed to improve the economic prospects of poor adults and children?

SHORT PAPER REQUIREMENT

There are eight topic areas over 14 weeks. Students are required to write eight short (2-3 typed pages) papers on these eight topic areas. One paper must be on Topic 2 “Poverty Theories” and must review and assess the model of the underclass Wilson outlines in his book, When Work Disappears. Each paper should cover a single week’s required readings. Papers are due on the days readings are required. No late papers will be accepted. Many topic areas cover several issues, and students are asked to pick one issue to write on. For example, Topic 1 includes readings on six issues, and students are asked to pick one issue to write on. For example, Topic 1 includes readings on six issues. If you wish to write on more than one issue–i.e., if you wish to do two separate papers on one topic’s set of readings, this is permissible. The second paper can count toward your total of nine papers. The second paper can be turned in one week later than the first paper. These short papers must be informed by the required readings.

RESEARCH PROPOSAL REQUIREMENT

The main requirement for this course is a proposal which reviews the literature and proposes a research study on a poverty-related topic. Students considering writing their third-year papers, prelim papers, or thesis in this area should use this proposal to explore a possible topic. Your goal is to design a proposal for a publishable paper. Half your grade will be based on this proposal. The schedule for this proposal is as follows:

TOMORROW: Start thinking about possible topics. This can be the hardest part of your proposal. Make a list of 2 or 3 possibilities, discuss them with relevant faculty, make an appointment to see me if that would help, and do some background reading on each topic so you have some idea of what has been done. Don’t settle on a topic until you have done some reading, have a question that research could help answer, and have some idea about how (what evidence) you might go about answering it.
October 5: Email me a brief description of your proposed topic and research question. Hand in a hard copy version in class.

October 11-14: Make an appointment with me to discuss the topic.

November 2: Submit a revised research question, and a 5-15 page literature view of research in the area. This review should include a brief discussion of how answering your question will add to what is already known and a brief outline of kinds of evidence you will use to answer the question. Hand in a hard copy in class and email me an electronic copy.

December 7: Submit a 10-20 page proposal that includes: (1) a brief statement of problem, (2) a literature review showing how you will add to past research and (3) a research plan. For example, if results of past studies disagree, you should suggest possible reasons for these discrepant results and show how your analysis might resolve this controversy

DISCUSSION REQUIREMENTS
This is a seminar, and all students are expected to arrive on time, to have read the assigned articles prior to the session in which they will be discussed, to attend class regularly, and to participate in class discussion. Students should be prepared to talk on the discussion questions at the end of each topic area. Each student will be asked in class to summarize a week’s readings and to critique particular readings at least once. If students do not attend class regularly, their grades will automatically drop 1 letter grade.

GRADING
Grades will be based on the short papers (40 percent), class discussion (10 percent) and the research proposal (50 percent).

Readings
Required readings are marked with an *. Required readings on a topic area should be read on the day lectures on that topic begin. Most required papers/articles can be obtained on the web. Required articles not available on the web are either on reserve at Foster Library, second floor, Lorch Hall or in the online course pack at: http://ctools.umich.edu

Five books are required for the course:

J Young, The Minds of Marginalized Black Men: Making Sense of Mobility, Opportunity and Future Life Chances
Danziger and Haveman, Understanding Poverty (2002).
W. J. Wilson, When Work Disappears: The World of the New Urban Poor.
K. Newman, No Shame in My Game

All these books should be available at Shaman Drum.
You also are encouraged to read several chapters of Blank, Dabady and Citro (eds.) Measuring Racial Discrimination. Two copies are on reserve in the Foster Library.

**Interesting Web Sites:**

Asst. Secy. of HHS for Planning and Eval.: _____________________ http://aspe.os.dhhs.gov
Census Bureau: _____________________ http://www.census.gov
Center on Budget and Policy Priorities: _____________________ http://www.cbpp.org
Center for Law and Social Policy: _____________________ http://www.clasp.org
Fragile Families: _____________________ http://crcw.princeton.edu/fragilefamilies
Heritage Foundation: _____________________ http://www.heritage.org
Institute for Research on Poverty: _____________________ http://www.ssc.wisc.edu/irp
Joint Center for Poverty Research: _____________________ http://www.jcpr.org
Manpower Demonstration Research Corporation: _____________________ http://www.mdrc.org
Urban Institute: _____________________ http://www.urban.org
Welfare Law Center: _____________________ http://www.welfarelaw.org
TOPIC 1. WHY STUDY POVERTY, THE MEASURE OF POVERTY, SHORT-RUN VS. LONG-RUN POVERTY AND TRENDS IN INEQUALITY (SEPTEMBER 7 AND 14)

NOTE: WRITE YOUR SHORT PAPER ON PART I, III, OR V.

**Part I Why We Should Care About Inequality**


*Finis Welch, “In Defense of Inequality,” The American Economic Review 89, no. 2 (May 1999), pp. 1-17, available from JSTOR: http://www.jstor.org/view/00028282/ap000010/00a00040/0?currentResult=00028282%2bap000010%2b00a00040%2b0%2c03&searchUrl=http%3A%2F%2Fwww.jstor.org%2Fsearch%2FAdvancedResults%3Fhp%3D25%26si%3D1%26All%3D%26Exact%3DIn%2BDefense%2Bof%2BInequality%2BOne%3D%26None%3D%26sd%3D%26ed%3D%26jt%3D

**Part II Thinking About Poverty Policy**


**Part III The Measure of Poverty**

Questions of measurement often seem tedious and irrelevant. After all, “everybody knows” that poverty is (or is not) a problem. We should spend our time thinking about ways to solve the problem—not about how to measure it.

However, deciding who is poor and who is not poor is important. First, any definition of poverty embodies a set of assumptions about what constitutes economic need. Policy decision-makers need to be aware of these assumptions. Second, we often decide who is or is not eligible for aid by our definition of poverty. Third, if we are to monitor the effectiveness of interventions designed to reduce or eliminate poverty, we need to be able to measure the extent of poverty before and after the interventions.


Part IV. Who Is Poor? (class lecture)


Part V: Trends in Economic Growth, Economic Inequality, and Poverty

Economic growth was very slow between 1972 and 1993, and economic inequalities widened during the 1980’s expansion. Between 1993 and 2000, the U.S. experienced a sustained economic expansion. This was followed by a brief recession in 2001-2002 and then slower growth since then. Did the 1990’s economic boom benefit all groups? Did it reduce inequality and poverty? Which demographic groups have high rates of poverty? What has happened since 2000? How do U.S. rates of poverty compare with other developed nations?


*Burtless and Smeeding, Ch. 1: “The Level, Trend, and Composition of Poverty”, Understanding Poverty, pg. 27-68.


Part VI: Short-Run Poverty vs. Long-Run Poverty, and Intergenerational Inequality (Lecture)

Many people think of the poor as mired in poverty from year to year, with few people escaping. Is this accurate? Or is there substantial turnover in the poverty population? How many people who become poor remain poor for a very long time? How many people escape poverty only to fall into poverty several years later? Do the persistently poor differ demographically from the rest of the population?

*R. Blank, It Takes a Nation, 13-30. (on reserve in Foster Library)

Corcoran, ch. 4, “Mobility Persistence, and …”, Understanding Poverty, pg. 127-140.


TOPIC 2. POVERTY THEORIES (SEPTEMBER 21)

This is an important section. Do all the required readings in this section. All students must write a paper which discusses and evaluates Wilson’s model.

Part I. Early Cultural Models

It has been argued that the poor (or a subgroup of the poor) differ from mainstream society in some crucial psychological sense. The poor have a distinct, separate culture and this culture keeps them mired in poverty. Further, this culture tends to perpetuate itself both within and across generations.

*J. Patterson. America's Struggle Against Poverty, 1900-1985, ch. 7. (on reserve)
M. Katz. The Undeserving Poor, ch. 1.

Part II. Models of the Underclass–Wilson’s “Social Isolation Theory”


*W. J. Wilson, When Work Disappears, ch. 1-5.


E. Anderson, Streetwise.

Part III. Did the Number of Underclass Neighborhoods Drop in the 1990’s Expansion?


http://www.brookings.edu/views/papers/200505jargowsky.htm (strongly recommended).

Part IV. Welfare Culture and Welfare Incentive Models

Prior to welfare reform, some analysts claimed that Aid to Families with Dependent Children was generating a harmful subculture—the “welfare culture” which led girls to bear children out-of-wedlock and to go on welfare and led boys to father children and not take responsibility, to be idle, and to hang out.

Charles Murray, Losing Ground.
Topic 3. Social Capital, and Opportunity (Sept. 28)

What is social capital? Does it matter?

Note 1: Al Young, Associate Professor of Sociology and AfroAmerican and African Studies, will lecture on the Minds of Marginalized Black Men on Sept. 28 or Oct. 5

Note 2: Proposal Topic Due Oct. 5


Note: Susan Houseman will lecture on Oct. 12 on Temporary Employment among Welfare Recipients

Part I: Economic/Market Models: What is Counterfactual? (Lecture)

Students who plan to do research on labor market issues and who are not familiar with neoclassical economic models of work and wages are encouraged to read Ehrenberg and Smith.


Part II: Trends in Employment and Wages (lecture)


*R. Blank. 1997. It Takes a Nation, Ch. 2 (Section 2.3 and 2.4, pgs. 60-75 provides a good overview of labor market changes 1967 –1993). (on reserve in Foster)


**Part III: Discrimination (lecture)**

Students interested in eventually researching or teaching on discrimination are urged to read Sowell.

T. Sowell. Markets and Minorities. Chapter 3. (will be covered in lecture) (on reserve)

Blank, Dabadey, and Citro (eds.). Measuring Racial Discrimination. “Executive Summary” pp 1-13, chapters 4 and 11 National Academy Press. (on reserve in Foster) (recommended)

J. Yinger, Ch. 10: “Housing Discrimination and Residential Segregation…”, Understanding Poverty, pg. 359-391. (reread)


Part IV: Policies to Increase Employment and Earnings of Less Skilled Workers.
What kind of labor market and tax policies might increase low skilled workers’ abilities to get and keep jobs, and make work more rewarding? Do placing low-skilled workers with temporary help agencies, health insurance programs, employer-based and/or employee based wage subsidies, public employment programs, affirmative action, and financial incentive programs work?

*D. Autor and S. Houseman (to be assigned)
S. Danziger and P. Gottschalk, Chapter 8, America Unequal.

Part V: Neighborhoods, Work, and Crime

 http://www.ksg.harvard.edu


Part VI: Spatial Mismatch, Skills Mismatch, Technological Skills Bias, and Work Barriers
Among Less Educated Workers


TOPIC 5. TRENDS IN FAMILY COMPOSITION, MARRIAGE ENCOURAGEMENT, EFFECTS OF FAMILY COMPOSITION ON CHILDREN AND FAMILY POLICIES (NOV. 2 AND NOV. 9 )

NOTE 1: RUK JAYAKODY, ASSISTANT PROFESSOR OF SOCIAL WORK, PENNSYLVANIA STATE UNIVERSITY WILL LECTURE ON “FAMILIES ACROSS HOUSEHOLDS: WHO GETS COUNTED AND IMPLICATIONS FOR FAMILY FUNCTIONING.” ON NOV 2.

NOTE 2: LITERATURE REVIEW IS DUE NOV. 2

Over an individual’s lifetime, his or her family alters constantly. Individuals leave home, marry, separate, bear children, move in with relatives—each of these events can alter the family’s economic well-being...especially for women and children. What is the relationship between economic status and family composition changes both within and across generations? Many blame the growth in teen single parents as the cause of increased poverty, welfare dependence, crime and drug use. Is this correct?
**PART I: Encouraging Marriage: Can it be done? Will it improve children’s lives? Should it be done?**

The Bush Administration is funding initiatives to encourage marriage. What do we know about marriage in low-income families? Do these processes differ by race? Does this research provide any guidance for developing policies to strengthen marriage? Is encouraging and strengthening marriage a sensible way to proceed? What policies might work? How might such policies affect child poverty and child well-being?


**“Barriers to Marriage Among Fragile Families.” 2003. Fragile Families website, Policy Brief.**


**Part II. Trends (lecture)**

* Cancian and Reed, Ch.2 “Changes in Family Structure…” Understanding Poverty.

Part III. Effects of Family Structure on Children’s Well-being (lecture)

Most researchers simply compare two-parent families to mother-only families when assessing affects of family structure on child well-being. But there is considerably more diversity to family structure than this simple dichotomy implies. Furthermore, parents who stay together are different from parents who split up or never marry in the first place. This diversity and non-random selection complicates assessing effects of family structure on children.


PART IV. Abortion Legalization


TOPIC 6. THE CONSEQUENCES OF GROWING UP POOR (NOV. 16)


*Corcoran, 2002. Ch. 4 “Mobility …. Understanding, pg. 127-161.
Schooling and skills are positively associated with adult economic success, and the economic returns to schooling and skills rose sharply in the 1980s and remained high throughout the 1990s. One way to improve individuals’ economic prospects is via programs that promote skill development. This can include pre-school programs (e.g. Headstart), increasing resources to public schools (class size, teacher quality, funding), accountability (testing requirements for graduation, funding based on test score gains), charter schools/vouchers, subsidies for college, and training programs. What does past experience with such programs tell us about their effectiveness?

**PART I. Overviews of Human Capital Strategies**

*C. Jencks. 1988. “Whom Must We Treat Equally for Educational Opportunity to be Equal?” Ethics 98(3) 518-533. [http://www.jstor.org/view/00141704/di994930/99p0116z/0?frame=noframe&userID=8dd38c75@umich.edu/01cc99334100501a0bb21&dpi=3&config=jstor](http://www.jstor.org/view/00141704/di994930/99p0116z/0?frame=noframe&userID=8dd38c75@umich.edu/01cc99334100501a0bb21&dpi=3&config=jstor)*


**PART II. The Racial Gap in Achievement**


**PART III. College and Low Income Students**


*School Readiness: Closing Racial and Ethnic Gaps.* The Future of Children (see especially articles by Brooks-Gunn and Markham and Magnuson and Waldfogel. (see website: http://www.futureofchildren.com


**Part IV. Improving Schools**

**A. Overviews**


**B. Accountability and Testing**


**C. School Choice and Class Size**


D. Teacher Quality


Part V. Pre-School Education


PART VI. Training Programs


TOPIC 8: WELFARE POLICY (DEC. 7)

PART I. Anti-Poverty Policy Prior to the Personal Responsibility and Work Opportunity Reconciliation Act (PROWRA)

The old welfare system, AFDC, was blamed for many of the problems of contemporary society: the dissolution of family, teen births, out-of-wedlock births, crime, joblessness, and substance abuse. What was wrong with AFDC? Why did we have to “end welfare as we know it”?

R. Blank, It Takes a Nation, ch 4, esp. pp 135-161, 174-176. [This provides a good outline of anti-poverty programs pre-1996 and of research findings about effects of AFDC on work, marriage, and fertility.]

K. Edin and L. Lein, Making Ends Meet, chapters 1-6, 1997. (Compares the incomes and material hardships of working single mothers to those of AFDC mothers in 1991, 1992.) (strongly recommended)
PART II. What Has Happened Since PROWRA - Overviews


http://www.arjournals.annualreviews.org

http://www.econ.jhu.edu/People/Moffitt/sawhill.pdf

PART III. What Needs to be Done Next?


http://www.lowwagework.org/Sheldon%20Danziger%20paper%205-27-04.htm

http://www.fordschool.umich.edu/poverty/pdf/JPAMFIN1.pdf


http://www.fordschool.umich.edu/research/poverty/pdf/v2workpays-danzetal.pdf