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? Why are poverty rates for minorities so high? What are the goals and purposes of social welfare programs? How did they grow and what did they accomplish during the War on Poverty and Great Society era? How did the Clinton Administration expect to “make work pay” and “end welfare as we know it”? How has welfare reform changed the playing field? What happened to TANF in the welfare reauthorization process? What are the interrelationships among poverty, family structure, inner city neighborhoods, labor market conditions and public policies? Is there a culture of poverty? Is poverty passed on from generation to generation? How are immigration and demographic trends changing the U.S. demographic profile?

The first ten weeks of this course (Topics 1-6) will focus on social science theory and evidence about the causes, consequences and costs of poverty. The last four weeks of the course (Topics 7-9) will examine human capital development policies, welfare policy, and employment policy.

Paper Requirements

Students are required to write nine short (2-3 typed pages) papers on these nine topic areas. One of these papers must be on Topic 2 and must review and assess the model of the underclass Wilson outlines in his book, When Work Disappears. Six of these papers must be on topics 1-6. Two of these papers must be on topics 7-9. 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 1) the measure of poverty, 2) trends in income inequality and poverty, and 3) long term vs. short term poverty and intergenerational inequality. 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.
What should these short papers cover? At the end of each topic, there is a list of discussion questions. You could choose to write on one of these questions. You could also choose your own topic. But papers *must* be informed by the readings.

Students are also required to make a joint class presentation and lead a discussion group once during the last four weeks of the course. Students will be assigned to one of 4-5 policy groups on October 18. The students in each group will cover the arguments and evidence for and against a particular set of *various* policy proposals for human capital development, for welfare reform, or for labor market policies. As part of the presentation students should prepare a *jointly written*, 1-2 page outline of the major issues and arguments and a list of discussion questions for the class. These should be handed out to the class at the beginning of the presentation. A student may write one of the nine short policy papers on some aspect of the group presentation.

**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 (55 percent), class discussion (20 percent) and the class presentation (25 percent).

**Readings**

Required readings are marked with an *. All required readings on a topic area should be read on the day lectures on that topic begin. A course pack containing some of the required readings can be obtained from Accu-Copy, 402 Maynard Street, 769-8338. An online course pack containing many of the readings can be found at: [http://coursetools.ummu.umich.edu/2002/fall/pubpol/736/001.nsf](http://coursetools.ummu.umich.edu/2002/fall/pubpol/736/001.nsf)

Five books are required for the course:


W. J. Wilson, *When Work Disappears: The World of the New Urban Poor*.

K. Newman, *No Shame in My Game*


All these books are in paperback and should be available at Shaman Drum.

Some required readings can be obtained on the web. These readings are not included in the coursepack. We will read most of the University of Wisconsin’s Institute for Research on Poverty’s (IRP) *Focus* volume 22, number 1, special issue, 2002 Reauthorizing TANF and most of the Joint Center for Poverty Research’s (JCPR), Northwestern University’s newsletter, *Poverty Research News, Marriage and Family*, May – June, 2002, volume 6, #3. The IRP issue can either be downloaded from the IRP website
(http://www.ssc.wisc.edu/irp/) or can be ordered directly from the IRP publications office for $3.00 (call 608-262-6358 for details). The JCPR publication can be downloaded from the JCPR website, www.jcpr.org.

In addition, we will be reading a number of working papers and policy briefs from the Fragile Families Project at the Center for Research on Child Well-being at Princeton University. To order these visit http://crew.princeton.edu, go to Fragile Families link, click on Publications, and click on Working Paper Series, and then on the Fragile Families Research Brief series.

Finally, Brookings has available a set of policy briefs on “Welfare Reform and Beyond” at www.brookings.edu/wrb.

Interesting Web Sites:
Administration for Children and Families: http://www.acf.dhhs.gov
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
Children’s Defense Fund: http://www.childrensdefense.org
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. THE MEASURE OF POVERTY, SHORT-RUN VS. LONG-RUN POVERTY AND TRENDS IN INEQUALITY (SEPTEMBER 6 AND 13)

Part I Thinking About Poverty Policy


Part II The Measure of Poverty (Class Lecture)
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 III: 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. Did the 1990’s economic boom benefit all groups? Did it reduce inequality and poverty? Which demographic groups have high rates of poverty? How do U.S. rates of poverty compare with those in other developed nations?


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

*Freeman, R.B., Ch. 3: “The Rising Tide Lifts…”, Understanding Poverty, pg. 96-126.


R. Blank, It Takes a Nation, chapter 2.

S. Danziger and P. Gottschalk: America Unequal, Chapters 1-4..


**Part IV:**

**Short-Run Poverty vs. Long-Run Poverty, and Intergenerational Inequality**

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?

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


**DISCUSSION QUESTIONS – TOPIC 1**

1. Summarize briefly Burtless’ and Smeeding’s assessment of the trends in inequality and poverty. What are the implications of these trends for poverty policy and for equal opportunity policies?

2. There has been a large increase in national income per person since 1979. Despite this growth, the reduction in poverty rates has been minimal. Why is this? What are the roles played by income inequality and demographic change? Can a healthy economy eliminate poverty?


4. How is the Orshansky measure of poverty constructed? Discuss one, some, or all of the following criticisms of the measure: whether work expenses should be included; the measure should be a relative one; in-kind transfers should be included; leisure time should be given some weight; health care expenditures should be included; position in the life cycle is important. How would you design
an improved measure? How, if at all, would changing the poverty measure affect the demographic profile of the poor?

5. How common is one-year poverty? How common is long-term poverty? How do the long-term poor compare to the short term poor and to the general population? Should different programs and policies be designed to address the long-term poor and the short-term poor, or can both benefit from the same policies? Why or why not?

6. How do poverty levels and trends, and poverty in the U.S. compare to those of other industrialized countries? To what do Smeeding and Rainwater attribute cross-national differences? What are their policy recommendations? Do you agree with these recommendations? Why or why not?

7. Discuss race-based and ethnicity based differences in poverty – short-run, long-run, and intergenerational. (See Burtless and Smeeding, Corcoran, Blank).
**TOPIC 2. POVERTY THEORIES (SEPTEMBER 20)**

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.

(1) *J. Patterson. America's Struggle Against Poverty, 1900-1985, ch. 7.*


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


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

**Part III. Welfare Culture and Welfare Incentive Models**

The newer cultural models argue the government welfare system is generating a new harmful subculture—the “welfare culture” which leads girls to bear children out-of-wedlock and to go on welfare and leads boys to father children and not take responsibility, to be idle, and to hang out.

Charles Murray, *Losing Ground.*


**DISCUSSION QUESTIONS: TOPIC 2**

1. What are the differences between the early “culture of poverty” models and Wilson’s “disappearance of work” arguments? What are the similarities?

2. Read, review and evaluate Wilson’s book. Pay particular attention to the roles played by job opportunities, work, black middle class migration, industrial structure, community structure and organization, discrimination, and culture. What does this model imply for poverty policy?

3. What are the roles of race, space and class in Wilson’s underclass model?
**TOPIC 3. “SPACE”, SOCIAL CAPITAL, AND CULTURAL CAPITAL IN POVERTY MODELS (SEPT. 27)**

**Part I. Geographic Segregation**

Is poverty becoming increasingly concentrated in inner city neighborhoods? If so, what is causing this—the outmigration of blacks, residential segregation by race, housing discrimination ...? How do we define the underclass—is it economic, behavioral, geographic?

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


**Part II: The Role of Neighborhoods**

**A. What is Meant by Social and Cultural Capital?**


**B. Neighborhoods and Work**


**C. Do Neighborhood Conditions Shape Children's Economic Destinies and Developmental Outcomes?**


**D. Improving Neighborhoods**


**DISCUSSION QUESTIONS: Topic 3**

1. What are the links between poverty and housing? To what extent does discrimination affect patterns of residential segregation? How can housing policies reduce housing segregation? (See Yinger).

2. Discuss the Newman book. Evaluate Wilson’s arguments about work in inner cities in light of Newman’s data. How, if at all, might you change Wilson’s model to deal with the Newman book?

3. Discuss Anderson’s, Young’s, and Kirschenman and Neckerman’s papers. Evaluate Wilson’s arguments about culture and discrimination, in light of these papers.

4. What are the key arguments Clum makes about culture and structure? Evaluate the readings on neighborhoods and work in light of these arguments.

5. Discuss Wilson’s arguments about neighborhoods using Coleman’s concept of social capital and Rosenbaum’s research.


7. Wilson downplays the role of current racial discrimination in his book. Would you revise or amend his model in light of the Yinger and the Kirschenman and Neckerman papers?

8. What kind of interventions might help address conditions in disadvantaged neighborhoods (See Yinger, Rosenbaum, Ferguson, and Sampson).
TOPIC 4. TRENDS IN FAMILY COMPOSITION AND EFFECTS OF FAMILY COMPOSITION ON CHILDREN (OCT. 4 AND 11)

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 mothers and single parents as the cause of increased poverty, welfare dependence, crime and drug use. Is this correct?

PART I. CHANGES IN FAMILY STRUCTURE AND POLICIES TO ENCOURAGE MARRIAGE

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


*"The Living Arrangements of New Unmarried Mothers.” Fragile Families Research Brief. (Can be downloaded from Fragile Families website at Princeton).

*"Is Marriage a Viable Option for Fragile Families?”, Fragile Families Research Brief, July 2002, Number 9 (Can be downloaded from Fragile Families website at Princeton).

*Multiple Partner Fertility”, Fragile Families Research Brief, June 2002, Number 8 (Can be downloaded from Fragile Families website at Princeton).


PART II. EFFECTS OF FAMILY STRUCTURE ON CHILDREN’S WELL-BEING

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.


Corcoran, 2002. Ch. 3 “Mobility ….” Understanding, pg. 127-161. (Reread section on family structure affects.)

PART III: TEENAGE PREGNANCY

Adolescent pregnancy is widely viewed by the public and by policy makers as a serious social problem for moral reasons (teens should not be having sex), for economic reasons (teen births reduce teenager’s chances of escaping poverty as adults), and for social reasons (teen mothers make bad parents). For instance, both Clinton and the Republican Party tried to sell their versions of welfare reform by emphasizing the issue of teen pregnancy.

Although welfare reform advocates emphasized that growing teenage birthrates were a major social problem, birthrates have not steadily risen. In fact, birth rates dropped sharply prior to 1975, were roughly level for the next ten years, rose again after 1985, and then declined steadily through the 1990s.


**DISCUSSION QUESTIONS: TOPIC 4**

1. How has family structure changed over time? How do patterns of family structure vary by race and ethnicity? What do we know about the roles played by labor market changes, changing societal norms, and policy changes (EITC, TANF,….) in accounting for family structure changes? What has been the overall impact of family structure changes on poverty rates over the past 30 years? What are Canican and Reed’s policy recommendations? Do you agree? Why or why not?

2. A key force in the welfare reauthorization debate is encouraging marriage. Why do low-income women have such low marriage rates and high nonmarital fertility rates? Is encouraging marriage a good thing? What factors might complicate policies that encourage marriage? (See Murray, Edin, Blau et al., Cherlin and Fomby, Anderson et al., Mincy, and Coontz and Folbre).

3. What is known about effects of family structure on children’s cognitive, social, educational, fertility, and economic outcomes? How much of these effects are due to a lack of parental economic and non-economic resources? How much are due to lack of parental involvement? How much are due to “selection” effects – i.e., to parental characteristics associated with family structure? Will
encouraging marriage reduce the negative effects of family structure? What other policies might help? (See McLanahan, Fertig, Cowan and Cowan, Waldfogel).

4. Do poor women have a right to bear children if they cannot “afford” to raise them without substantial government support? Discuss.

5. What are the trends in teen parenthood? What causes these trends? (See Lopoo et al). What policies does Sawmill recommend to reduce teen births and out-of-wedlock births?


**TOPIC 5. THE CONSEQUENCES OF GROWING UP POOR (OCT. 18)**


*Corcoran, 2002. Ch. 4 “Mobility …. ” Understanding, pg. 127-161.


**DISCUSSION QUESTIONS: TOPIC 5**

1. Does growing up poor lead to low economic status for children? Discuss theories and evidence on this question. Based on the evidence, what policy solutions (if any) might you recommend?

2. Growing up poor has a strong negative association with children’s economic life chances. One reason children are poor is that their parents choose not to marry. Should the children bear the costs of this decision or should society intervene? If society could intervene, how should it do so?

3. U.S. society attaches great symbolic importance to the goal of equal opportunity. Yet children from affluent families fare better as adults than do children from poor families. Why and how does this happen? To what extent does this mean that opportunity is not equal in the U.S.?

4. Corcoran and Mayer both conclude that most effects on parental income on child development are modest in size. Yet, these authors reach very different conclusions about the importance of income and recommend very different policy approaches from the research on effects of parental income. Discuss and evaluate their arguments, evidence, and the implications of their work for policy.

5. What is meant by family resilience? What factors lead to such resilience?
TOPIC 6. RACE, SEX, LABOR MARKETS AND POVERTY (OCTOBER 18 and 25)

Rucker Johnson will discuss his two papers on October 25.

Part I: Trends in Employment and Wages by Gender, Race, and Ethnicity, 1973-2000


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


R.M. Blank, It Takes a Nation, ch 2. (highly recommended).

Part II: Skills, Job Quality, Health, Work Experience, Wages, and Wage Growth Rates.


Part III  Race, Ethnicity, Gender, and Discrimination


**DISCUSSION QUESTIONS: TOPIC 6**

1. What happened to workers’ wages and employment between 1970 and 1993? Are trends similar for men and women? Which groups fared well and which groups fared poorly? What has happened to wages and employment since 1993?

2. There is not much talk about women and labor market work in Wilson’s model. How might his theory be extended to deal with women and work?

3. Compare and contrast Freeman and Rodger’s arguments about changes in the fortunes of low skilled young black men in the 1990s to those of Juhn.

4. A key argument in welfare reform is that all recipients have the ability to work on a regular basis, and that regular work will eventually lead to wage growth and a good job. Discuss Johnson, and Johnson and Corcoran’s evidence on this argument.
5. What roles did welfare and the economic expansion play in increasing women’s employment? Discuss Smith et al. and Blank and Schmidt’s evidence and conclusions on this issue.

6. What skills are employers looking for? What skills are associated with higher job quality and wage growth? (See Holzer and the Johnson articles).

7. Wilson downplays the role of race discrimination in his social isolation model. Review and assess the evidence and arguments in the assigned readings about contemporary race discrimination in the labor market. What conclusions, if any, do you draw from this evidence? How would you reassess and/or amend Wilson’s model in light of this evidence?
Schooling is positively associated with adult economic success, and the economic returns to schooling and skills rose sharply in the 1980s and remained high throughout the 1980s. One way to improve individuals’ economic prospect is via programs that promote skill development. What does past experience with such programs tell us about their effectiveness?


We also need an overview paper on vouchers.
TOPIC 8. WELFARE POLICY (NOVEMBER 15 AND NOVEMBER 29)

PART I. ANTI-POVERTY POLICY PRIOR TO THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT (PROWRA)

The old welfare system 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 welfare? 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.]


PART II WHAT WERE THE INITIAL EFFECTS OF PROWRA – TWO LITERATURE REVIEWS


PART III THE DEBATE OVER REAUTHORIZATION

1) An Overall Agenda


2) Employment Issues:

Since welfare reform was passed in August 1996, welfare caseloads have dropped and single mothers’ employment has risen. There are still many outstanding questions – How much of the increase in employment is due to changes in welfare policy and how much is due to an expanding economy? What will happen to single mothers’ employment during a serious recession? What policies might help “protect” single mothers economic gains when a recession hits? Who are the hard-to-employ and what are the appropriate policies to deal with them? Many ex-recipients have gotten jobs. Are these women able to maintain regular employment? Do their jobs provide a living wage, benefits, and opportunity for wage growth? What factors are associated with “success” or failure in the labor market? What policies might increase women’s chances of success?

a.) What will happen in a recession?


b.) **Stable Employment, Good Jobs, and Wage Growth**


c.) **The Hard-to-employ**


3. **Material Hardships and Family Outcomes**

Under AFDC, families often were better off not working. In the 1990s, government policies changed in ways that rewarded work and sanctioned nonwork. How much has family economic
well-being improved under the new system? Are any families worse off as a result of welfare reforms? To what extent are families experiencing material hardships?


4. Families, Marriage, and TANF

The Bush Administration is strongly pushing initiatives to strengthen 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?


**"Multiple Partner Fertility”, Fragile Families Research Brief, June 2002. (Reread).

5. Child Well-being

A key force of welfare reform is improving child well-being. Some reformers assume that encouraging marriage and work, and discouraging dependency will result in improvements in child well-being. Others argue that maternal work may hamper some children’s development by reducing mothers’ available time and increasing mother’s stress, and that sometimes marriage may not be better for children. What does the research say about these issues?


*Edin, Kathryn, Ellen K. Scott, Andrew London and Joan Maya Mazelis. “Children First: Welfare-Reliant Women’s Post-TANF View of Work-Family Tradeoffs, Neighborhoods, and Mar-
riage.” In *For Better and For Worse: Welfare Reform and the Well-Being of Children and Families*. P. Lindsay Chase-Lansdale and Greg J. Duncan, Eds. Can be found in online coursepack.


*Edin, Nelson, and Paranal. “Fatherhood and Incarceration”. Can be found in online coursepack.


6. **Immigration**


**TOPIC 9: POLICIES TO INCREASE EMPLOYMENT AND EARNINGS OF LESS SKILLED WORKERS. (December 6)**

What kind of policies might increase low skilled workers’ abilities to get and keep jobs, and make work more rewarding? Do health insurance programs, employer-based and/or employee based wage subsidies, public employment programs, affirmative action, and financial incentive programs work?


Mullahy and Wolfe. Ch. 8: “Health Policies for The Non-Elderly Poor.” Understanding Poverty.


S. Danziger and P. Gottschalk, Chapter 8, America Unequal.


