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? Is there a culture of poverty? What are the interrelationships among poverty, family structure, inner city neighborhoods, labor market conditions and public policies? Is poverty passed on from generation to generation?

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 7-10) will examine education and training policies, neighborhood/housing policy, family 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. One paper **must** be on topics 7-10 and can not be on your discussion group topic. 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 economic growth, economic 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 education, housing, families, or employment. The content and structures of the presentation is up to the students group. You can choose to cover all the policy options considered in a week’s readings. Or you can intensively focus on one or two options. For example, the Education Policy readings (Topic 7) cover early childhood education, increasing public school resources, accountability and testing programs, vouchers/charter schools, racial composition effects, college programs, and public
sector training programs. You could choose to focus on one area - for example vouchers or accountability - or on all areas. Similarly, you could choose a briefing format, debate format, role-playing interactive format, a TV-show format, etc. There are two requirements. There should be a time put aside for questions/discussion from the class. As part of the presentation students should prepare a jointly written, 1-2 page outline of the major issues and arguments as well as a short list of discussion questions for the class. These should be handed out to the class at the beginning of the presentation. If a student writes one of the nine short policy papers on some aspect of his or her group presentation, the short paper is due one week after the class 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. Most required papers/articles are available from the web. Required articles not available on the web have either been put on reserve at Foster Library, 2nd floor, Lorch Hall, or in the online course pack at: http://coursetools.ummu.umich.edu/2004/fall/pubpol/736/001.nsf

Four books are required for the course:

Blank, It takes a Nation.
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 are in paperback and should be available at Shaman Drum.

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
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
National Poverty Center: ___________________________ http://www.npc.umich.edu
Urban Institute: ______________________________________________ http://www.urban.org
Welfare Law Center: ____________________________________________ http://www.welfarelaw.org
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.
Part IV:

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?


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

McMurrer and Sawhill, 1998. *Getting Ahead: Economic and Social Mobility in America*.


**DISCUSSION QUESTIONS – TOPIC 1**

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


3. How is the Orshansky measure of poverty constructed? Discuss one, some, or all of the following criticisms of the measure: taxes should be subtracted out; geographic areas vary in living costs; work expenses should be included; the measure should be a relative one; in-kind transfers should be included; it should be updated for changes in consumption patterns; leisure time should be given some weight; out -of-pocket 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?
4. How common is one-year poverty? How common is long-term poverty? How do the demographic characteristics of the long-term poor compare to those of the short term poor and to those of 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? Explain.

5. Discuss race-based and ethnicity based differences in poverty – short-run, long-run, and intergenerational. (See Burtless and Smeeding, Iceland, Corcoran, Blank).

**TOPIC 2. POVERTY THEORIES (SEPTEMBER 24)**

**NOTE:** Jason De Parle will discuss his new book *American Dream: Three Women, Ten Children, and the Nation’s Drive to End Welfare* in Rackham Amphitheatre on September 28.

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. (on reserve at Foster)

**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 the model of inner city poverty outlined in Chapters 1 to 5 of 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 model?

TOPIC 3. “SPACE”, SOCIAL CAPITAL, AND CULTURAL CAPITAL IN POVERTY MODELS (OCT. 1)

NOTE: Professor Roberto Fernandez will be giving a public lecture on Tuesday, Oct. 5, at 4:00 - 5:30 pm on “Race, Space and Job Accessibility.” This paper is available in the online coursepack.

A. Neighborhoods and Work


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


DISCUSSION QUESTIONS: TOPIC 3

1. Discuss the Newman book and Newman’s (2000) follow-up paper. 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 findings?

2. Evaluate the Newman book in light of the two book reviews.

3. Evaluate Wilson’s and Mead’s arguments about culture, work ethics and work in the light of the Anderson article.

4. What does evidence from Gautreaux and MTO (Keels et al., Kling et al.) show about neighborhood effects? Is this consistent with Wilson?

TOPIC 4. RACE, SEX, LABOR MARKETS AND POVERTY (OCT. 8 and OCT 15)

NOTE: The first group presentation is Nov. 12. We will be assigning groups on Oct. 8. You should decide on your 1st and 2nd choice group topics prior to class.

Part I: Economic/Market Models (Lecture)


Part II: Trends in Employment and Wages

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


(3) *R. Blank and L. Schmidt. 2002. “Work, Wages, and Welfare” and R. Topel “Comment” in The New World of Welfare, p. 70-102. (This is good for labor market trends in the mid to late 1990’s.) (on reserve in Foster)


Part III: Skills Mismatch, Spatial Mismatch and Work Barriers Among Less Educated Workers


*E. Anderson “The Story of John Turner” (reread)


Part IV: Upward Mobility


http://fmwww.bc.edu/ec-p/wp555.pdf


R. Johnson and M. Corcoran. 2003. “The Road to Economic Self-Sufficiency: Job Quality and
Job Transition Patterns After Welfare Reform.” Journal of Policy Analysis and Management,

Holzer and LaLonde. 2000. “Job Change and Job Stability Among Less Skilled Workers”,

Corcoran and Loeb. 1999. “Will Wages Grow with Experience for Welfare Mothers”. Focus,
20(2), pg. 20-21. (IRP website)

Part V: Discrimination

T. Sowell. Markets and Minorities. Chapter 3. (recommended)

Literature. (Read sections 3.0 to 3.3, pgs. 493-503).

http://www.jstor.org/view/00220515/di010576/01p0002a/0?config=jstor&userID=8dd3083c@u
mich.edu/018dd55340005126b39d&dpi=3

(can be downloaded at http://www.jstor.org/browse/08953309?config=jstor)

(5) *J. Kirschenman and K. Neckerman. “We’d Love to Hire Them, But…” The Urban Underclass,
1995: 203-232. (on reserve in Foster)

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

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

American Underclass.


W.A. Darrity and P.L. Mason. “Evidence on Discrimination in Employment: Codes of Color,

http://www.jstor.org/view/08953309/di014714/01p0030f/0

116.


**DISCUSSION QUESTIONS: TOPIC 4**

1. What happened to workers’ wages and employment between 1970 and 1993? Are trends similar for
men and women? Are trends similar for blacks and whites? 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
time be extended to deal with women and work?
3. A key dividing line between Wilson and Mead is the extent to which individuals are able to work on a regular basis, and whether regular work will eventually lead to wage growth and a good job. Discuss the evidence on this argument. (Newman, Connolly et al., Johnson and Corcoran)

4. What roles did welfare and the economic expansion play in increasing women’s employment? Discuss Blank and Schmidt’s evidence and conclusions on this issue.

5. What skills are employers looking for? What skills are associated with higher job quality? (Holzer chapter, Johnson & Corcoran).

6. How much upward mobility and wage growth is there among low-wage workers? Who is mobile? (Connolly et al., Newman, Loeb and Corcoran.)

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 consumer and labor markets. (Yinger, Kirschenman & Neckerman, Holzer & Newmark). 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?

**TOPIC 5. TRENDS IN FAMILY COMPOSITION AND EFFECTS OF FAMILY COMPOSITION ON CHILDREN (OCT. 22 AND OCT. 29)**

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. Trends**

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


www.russellsage.org/special_interest/sociolinequality/revEllwoodJencks01.pdf


**Part II: Marriage Decisions of Low Income Mothers.**

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?


Part III. 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.


Part IV. Incarceration of Fathers and Effects on Children

DISCUSSION QUESTIONS: TOPIC 5

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, etc.) 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 Cancian 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)

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, Waldfogel).

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

5. How, if at all, has legalized abortion affected fertility and crime rates? What is the relevance of this research for family policies?

TOPIC 6. THE CONSEQUENCES OF GROWING UP POOR (NOV. 5)

S. Mayer, What Money Can’t Buy, 1997 chapters 3, 5 & 9. (will be covered in lecture)

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


**DISCUSSION QUESTIONS: TOPIC 6**

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.

**TOPIC 7. EDUCATION AND TRAINING POLICIES – PRE-SCHOOL, K-12, COLLEGE, AND TRAINING PROGRAMS. (NOVEMBER 12)**

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 1990s. One way to improve individuals’ economic prospect 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?

**A. Overview**


**B. Improving Schools**


www.nber.org/reporter/fall01/figlio.html


C. Pre-School Education


http://www.brook.edu/es/research/projects/wrb/publications/pb/pb27.htm

D. College and Low Income Students

Lucretia Murphy. 2004. to be assigned.

E. Training Programs


Topic 8. NEIGHBORHOOD AND HOUSING POLICY (NOVEMBER 19)

PART I. NEIGHBORHOOD AND HOUSING POLICY


TOPIC 9. FAMILY POLICY (DECEMBER 3)

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?

TOPIC 10: POLICIES TO INCREASE EMPLOYMENT AND EARNINGS OF LESS SKILLED WORKERS. (December 10)

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?

*Blank, It Takes a Nation, Chapter 7.


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


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