

Families In Poverty: Patterns, Contexts, and Implications for Policy

The Policy Institute for Family Impact Seminars



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Families In Poverty: Patterns, Contexts, and Implications for Policy

Background Briefing Report
by Theodora Ooms

and highlights of the Seminar held on July 17, 1992,
at S207 Mansfield Room, U.S. Capitol, Washington, DC

Panelists:	Isabel Sawhill, Ph.D.	Economist and Senior Fellow, Urban Institute
	Leif Jensen, Ph.D.	Assistant Professor, Department of Agricultural Economics and Rural Sociology, Pennsylvania State University
	Claudia Coulton, Ph.D.	Professor of Social Welfare and Director, Center for Urban Poverty and Social Change, Case Western Reserve University
	Alice O'Connor, Ph.D.	Staff Associate, Social Science Research Council
Moderator:	Theodora Ooms	Director, Family Impact Seminar

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Highlights of the Seminar

Held on July 17, 1992, in the Mansfield Room, U.S. Capitol

Poverty in America has become primarily an issue for families with children, **Theodora Ooms**, moderator, said as she opened the meeting. Ooms added that child poverty rates have climbed back to the high levels of the sixties and are higher than for any other age group. This seminar was the first in a series of three. The panelists presented findings of recent poverty research to serve as a background for discussions in the second and third seminars on effective strategies to reduce poverty.

The first panelist, **Isabel Sawhill**, senior fellow at the Urban Institute provided an overview of the main findings of the research on family poverty of the past decade. As an economist, and former executive director of the National Commission for Employment (formerly Manpower) Policy, Sawhill has had a long-standing interest in family issues, and the problems of female-headed families in particular. Sawhill began by stating some key facts:

- At present, about 20% of all children in the US are poor, up from 15% in the 1970s, though still below the 26% rate in 1960.
- Many children only remain poor for a short period of time. However, about 10% are persistently poor, that is for six years or more.
- There are very large racial differences in poverty rates. Persistent poverty is primarily a minority issue: 90% of all children poor for ten years or more are black.
- Most poor children live in metropolitan areas (where most Americans live) but the quarter of poor children who live in nonmetro areas are generally worse off than their urban counterparts.
- Recently, there has been a good deal of attention to the plight of children who live in “underclass” urban areas, whose lives are truly terrible (see Kotlowitz’s book, *There Are No Children Here*). The Urban Institute and others estimate that only 1-2% of children live in these neighborhoods, yet their numbers appear to be growing.

Causes of the rise in family poverty. Sawhill outlined three major factors, which most agree have contributed to the rise in poverty among families with children since the 1970s.

- Demography (the rise in single-parent families);
- The economy (growing inequality of earnings, especially the drop-in wages among men with little education); and
- Public policy (real welfare benefits fell about 40%).

However, different analysts assign different weights to each of these. Sawhill added, “My own reading of the evidence is that demography has predominated but the other two factors have played an important role as well.”

(i) Demography. The collapse of marriage as an institution has clearly played the major role. The story of the 1970s was the explosion of divorce rates, but these have now stabilized. The story of the 80s is that people are not getting married, but are continuing to have children. This trend is most striking for blacks—by their early thirties, 44% of black men and women have never been married, though many are parents. The result is that about one-fourth of all children and two-thirds of black children are born out-of-wedlock.

“We really don’t know why marriage as an institution is collapsing,” said Sawhill, “some of it is undoubtedly economics.” William Julius Wilson, sociologist at the University of Chicago argues that it was caused by the lack of “marriageable” males in the Afro-American community, i.e., men who could “support” a family. There is clearly some truth to this assertion, yet several recent empirical studies show that declining earnings and employment opportunities among males can only explain about 20% of the failure to marry (see p. 23).

The policy implications are that raising male earnings will probably help to reduce child poverty, but only modestly. Establishing paternity and enforcing child support are also important and, hopefully, may serve to deter some out-of-wedlock childbearing.

(ii) The economy. Earnings for men without education “dropped like a stone during the past two decades,” said Sawhill. Between 1979-1989, real earnings for male high school graduates fell 12%, for drop-outs they fell 23%. Larry Katz at Harvard has outlined three major reasons for this trend:

- The globalization of the economy (as a result of increased trade and immigration), which has increased the effective supply of unskilled labor and, hence, lowered its price.
- The advance of computer technology and invention of “smart” machines, which has led to substitution of unskilled labor by machines and increased demand for more skilled labor.
- Increasing number of jobs are in the service sector where “softer,” interpersonal skills are required, which men are generally not as socialized for, nor do they especially want them. Katz dubs this not just a “skills mismatch” but an “attitudinal or socialization mismatch” as well.

In the long run, Sawhill concludes, the solution is to provide better education and training—investment in early childhood, education reforms, and better job training programs—but all this takes time. In the short run there seems little alternative to providing supplementary assistance to the working poor (expanding the EITC, higher minimum wages, and so forth).

Sawhill likes to compare the current situation to the “dislocated worker” problem of the late seventies, where particular industries were shut down by the expansion of trade. The public benefited as a whole but sought to compensate the losers. Nowadays, this “dislocated worker” problem is “writ large.” We are now undergoing a major structural transformation of the economy, affecting not just a few industries but perhaps the bottom 40% of the work force, the least skilled people. Sawhill believes that we will all gain in the long run, but as a society we need to think how to help those who in the short run are the losers.

(iii) Public welfare system. The welfare system has never been very effective at combating poverty. But over the last decade it has become less generous, in part because it has been perceived as anti-work and anti-family. In 1979, means-tested cash transfer programs removed about 8% of all families with children from poverty, by 1989 that had fallen to about 5% (data from the House Ways and Means Committee, *Green Book*).

The reasons for the increase in child poverty rates are hard to disentangle, in part, Sawhill concluded, “because we don’t really know whether poverty is a cause or a consequence of changes in family structure ...Most of us think it is a both a cause and a consequence ...some families break up or fail to form in the

first place at least in part because of economic problems. But it is still the case that two parents can earn more than one. Divorce and out-of-wedlock childbearing are producing far more poverty for children and mothers than would otherwise exist.”

The second panelist, **Alice O’Connor**, a staff associate for the Social Science Research Council, summarized the main themes of recent studies on urban poverty, the “underclass” literature in particular.

O’Connor stated that the notion of the urban underclass began to gain public attention in the early 1980s as a result of a number of journalistic reports on inner-city poverty. The distinguishing feature of the underclass was said to be a lack of mainstream values about work, family, and individual responsibility.

More scholarly attention followed, the most prominent, ambitious, and sustained research was directed by University of Chicago sociologist William Julius Wilson. Wilson, a black sociologist whose 1978 book, *The Declining Significance of Race*, caused a big stir, argued that persistent inequality within the black community and between blacks and whites could no longer be explained solely by the effects of racial discrimination. In this book, Wilson first introduced his concept of the underclass.

By the early 1980s, O’Connor noted, the conservative challenge to the welfare state had resulted in a highly polarized debate about whether poverty could be explained by culture and welfare on the one hand or by the economy and other barriers to opportunity on the other. This created an important context for Wilson’s effort to develop the underclass concept more fully. Wilson announced his intentions to get beyond the polarized debate about urban poverty and demonstrate a new willingness on the part of liberal scholars to talk about black inner-city poverty, family structure, crime, and other controversial topics.

Wilson’s underclass thesis. In 1987, Wilson published, *The Truly Disadvantaged*, a set of essays which offered a theory of the urban underclass. The urban underclass was loosely defined as a heterogeneous group of inner-city residents, separated from the mainstream by a number of interrelated problems, including nonlabor force participation, persistent poverty, welfare dependence, single-parent families, and social isolation. According to Wilson, these were disproportionately members of minority groups. Wilson based his conclusion largely on the experience of black men in large Northeastern and Rust Belt cities, particularly Chicago. O’Connor added that this was a point he was criticized for later.

To explain the growth of the urban underclass since 1970, Wilson offered a theory which combined structural and cultural components. Wilson claimed that the driving force behind the emergence of the underclass had to do with the restructuring of the urban economy. Two aspects of this restructuring were particularly important:

- (i) Deindustrialization, the shift from a manufacturing to a service-based economy transformed labor markets from those producing a large number of high-wage, low-skill jobs to those producing more white collar (high skill) and low-paying service jobs. Wilson called this the “**skills mismatch hypothesis.**” Wilson suggested that unskilled inner-city residents were cut off from the entry-level jobs once available in the manufacturing economy.
- (ii) At the same time, the location of jobs was changing as companies decentralized and relocated to the suburbs. Wilson called this the “**spatial mismatch hypothesis.**” For reasons of skill, as well as space, urban economic restructuring had a particularly negative impact on job opportunities for black men.

Low marriage rates. O’Connor explained that Wilson maintained that linked to these economic forces were a number of social and demographic factors which affected black inner-city residents and compounded the structural labor market problems they faced. The numbers of female-headed and

welfare-dependent families were on the rise. Using a concept he called the “Male Marriageable Pool Index” (MMPI), Wilson tried to show that the combination of decreasing job opportunities, high rates of crime and violence, and high incarceration rates all diminished the number of black men considered marriageable (i.e., able to support a family).

Concentrations of poverty. Wilson also pointed to important changes in inner-city neighborhoods that served to make poverty more concentrated for poor blacks. O’Connor added that there are a growing number of concentrated poverty neighborhoods, in which poverty rates exceed 30-40%. To explain this, Wilson pointed to the out migration of middle class blacks from these neighborhoods in the 1970s when civil rights and anti-segregation legislation opened up housing markets for middle class blacks outside the ghetto community.

This middle class exodus drained the community of role models, money, institutions, and commercial activities. The poor left behind were subject to what Wilson called concentration effects of poor neighborhoods. Joblessness was compounded by family structure, welfare receipt, and lack of a stable middle class and stable institutions. These concentration effects in turn contributed to an extreme social isolation from mainstream institutions.

Wilson’s work created a great deal of debate and empirical research. The first major debate occurred when economists raised the question of how to define the underclass while trying to quantify the size of this population. Should it be the persistently poor, those combining a number of other characteristics in addition to persistent poverty (receiving welfare, dropping out of school, etc.) or, more narrowly, others who share these characteristics and also reside in neighborhoods of highly concentrated poverty.

Recent Studies

O’Connor commented that most analysts agree that the underclass grew in size between 1970-80 and that it is still growing. Although there is still some debate about this, as well as about the size and definition of the underclass and how it is measured.

Wilson’s concept of the underclass was criticized as being a veiled definition of undeserving poor and stigmatizing poor inner-city blacks. Wilson was also criticized for ignoring the heterogeneity of poor inner-city residents and exaggerating their degree of isolation from the mainstream. Others criticized Wilson for making generalizations based on the experiences of blacks, and to some degree Puerto Ricans, in Chicago without looking at the effects of economic restructuring in other cities and without looking at the important experience of Latinos, whose poverty is growing as well. Others have raised questions about the MMPI as being the key to declining marriage rates among blacks.

A large number of studies have tested one or more aspects of Wilson’s theory. The findings of these studies tend to reinforce the link between economic restructuring and black male joblessness. O’Connor said the findings generally support the notion of the skills mismatch and offer some, but not unanimous, support of the spatial mismatch. iv

Wilson himself has continued to conduct research in inner-city Chicago, which has resulted in important refinements to his original theory. The most significant refinement being his acknowledgment that race is an important factor in understanding underclass poverty. Wilson based this on employer surveys and on comparative studies of black and Mexican immigrant families. He has concluded that racial discrimination and stereotyping remain factors, but also raised the possibility that there are social structure and cultural differences between blacks and immigrant populations that explain their different attitudes toward work.

A second important refinement is Wilson's use of terminology. In recent years he has backed away from using the term "underclass" in favor of "ghetto poverty," claiming it is a more precise description.

Other research has pointed out the need to learn a lot more about immigrants and how the impact of immigration has affected local economies and neighborhoods. O'Connor believes researchers also need to do a lot more to understand the labor force experience of women. "In the debate about the underclass we tend to focus on male employment, and women and family and welfare, rather than acknowledging that women are an important part of the labor force."

Research on the underclass is starting to take a new turn as researchers try to link it up with studies on trends in poverty and overall urban inequality. O'Connor concluded, "When we combine this with the overall decline in marriage rates and negative trends in social policy, we can see that the problems of the urban underclass should be linked to the broader context of social and urban inequality. In addition, people in the urban underclass not only experience multiple problems but have fewer social and institutional resources to deal with their problems. If you accept this notion of the urban underclass as a multi-causal problem, the policy implications are clearly that there is no single solution. Any solution must be comprehensive and include economic growth, job creation, and, in particular, neighborhood revitalization."

Leif Jensen, the third panelist and a rural sociologist at Penn State University, began by noting that poverty is often popularly perceived as a largely urban phenomenon since urban poverty is much more visible and more politically threatening than rural poverty. Yet, in fact, the nonmetro poverty rate of 15.9% is almost as high as that in central cities, which stood at 18.7% (see Figure 1). Moreover, if the racial and ethnic minority groups are examined separately, rural minorities are more likely to be poor than urban minorities. "Rural poverty is, thus, alive and well."

The important point, Jensen said, was to examine whether the rural poor had unique characteristics that have implications for public policy. For example, it has been said that since poor families in rural areas are more likely to be two-parent families than those living in urban areas, the AFDC program can be viewed as biased against the rural poor. The recent requirement in the Family Support Act that all states offer AFDC-UP (unemployed parent) to two-parent families should more greatly benefit the rural poor. He then discussed several ways in which the rural poor differ from their urban counterparts.

- **Receive fewer public benefits.** Jensen presented tables to show that the rural poor are less likely to receive public assistance. Studies suggest that there are a number of reasons that may help explain this low participation rate among rural poor, such as: greater reluctance to receive public aid, with a stronger stigma attached to doing so; greater distances to travel to welfare offices; and poor public transportation.

- **Public assistance programs less effective.** Another important difference highlighted by Jensen's own analysis of the census data is that public assistance is less effective in ameliorating poverty in nonmetro than metro America. For example, in 1987, public assistance narrowed the poverty gap by about 16% among nonmetro poor families, but by 29% among their metro counterparts. However, the rural disadvantage in this regard has become less pronounced over the past two decades (see Jensen, 1988, pp. 782-794).

- **Greater attachment to the labor force.** Rural poor are more likely to be underemployed than those living in urban areas. (Underemployed is defined as unemployed but actively seeking work, working part time but wanting more work, discouraged workers who would like a job but have given up trying to find one, and full-time workers whose earnings are not sufficient to raise themselves above poverty.)

- In 1990, the rate of underemployment in nonmetro areas was 33.4%, compared to only 26.8% in metro areas and 28.6% in central cities (see Snipp, 1993). These differences are even greater for rural racial/ethnic minorities who are doubly jeopardized in terms of underemployment.

- A significantly higher percentage of nonmetro residents than metro or even central city residents are working full time but not earning enough to bring them appreciably over the poverty line.

This greater attachment to work helps to explain why rural poor are more vulnerable when the economy is doing poorly, Jensen continued. In addition, welfare reform efforts that concentrate on improving motivation and providing training are not as relevant to the working poverty of the rural areas. For them, the primary problem is a lack of jobs that pay a living wage.

Jensen then cited a study that he and a colleague had conducted which tried to determine the relationship between the number of people who would be looking for work under the workfare provisions of the Family Support Act and the number of vacant jobs available. They concluded that there would be a ratio of 17.4 job seekers for every available job (see Bloomquist, Jensen, & Teixeira, 1988).

In summary, Jensen said that there are substantial differences between the rural and the urban poor, and policymakers need to develop strategies that are attentive to them and to the fact that poverty is a serious problem in the countryside. However, these differences should not be overblown. The best way to address the problem of poverty is to “try to guarantee jobs at above poverty-level wages to all household heads who are able to work.”

Claudia Coulton, professor of social welfare and director of the Center for Urban Poverty and Social Change, Case Western Reserve University, was the final panelist. She emphasized that her Center was involved in research and action (see p. 31). Coulton opened by noting that she wanted to make three points.

- 1) Poor children have multiple vulnerabilities.
- 2) Many of these children and their families are concentrated in neighborhoods which magnify these vulnerabilities.
- 3) Strategies directed at the vulnerabilities alone will not be powerful enough to overcome these ecological forces.

Coulton added that poverty is the number one predictor of so many adverse outcomes for children (e.g., low birth weight and infant mortality, lower cognitive development, child abuse and neglect, school failure, teen pregnancy, child emotional problems, etc.). But not all poor people have these bad outcomes. Thus, much of the research has focused on understanding the mechanisms through which poverty creates these kinds of outcomes. Until recently, a lot of the research was at the individual and family level and examined characteristics that made poor children more vulnerable to these outcomes, such as parent knowledge and ineffectiveness (compared with middle class parents), lack of access to services (health care, schools, child care, food, and shelter), and limited availability of social supports that are more readily available to middle class families.

But even when all these factors are taken into account, much of the linkage between poverty and poor child outcomes remains unexplained. Recently, attention has focused on the effects of the surrounding community. There are several reasons for this, including concern about underclass urban environments, transformation of social structures in these urban environments, and the growing concentrations of families living in these urban areas (discussed by O'Connor), which has been quite dramatic, especially in certain cities such as Chicago, Cleveland, and Detroit.

Studies of neighborhoods are not new. But, increasingly, researchers are examining how neighborhood conditions affect the opportunities and outcomes for children. She classified the research in this area into four categories.

- **Effects of stress.** Some research looks at stressful environments, especially focusing on violence, uncertainty, and upheaval. Anecdotal, descriptive accounts are being supplemented by statistical studies. Further, a new group of studies is looking at this with a post-traumatic stress disorder framework (see, for example, Dr. James Garbarino’s work). Apparently, the violent environment can affect residents even if they do not directly experience violence themselves. There is some evidence (from Chile), for example, that women in stressful neighborhoods are more likely to have unhealthy births.
- **Class composition of neighborhood.** Another area of research looks at whether the class composition of the neighborhood affects children’s outcomes and, in particular, whether poor children do better when they live near the middle class. The assumption is that middle class neighbors would provide role models, networks, and peer influences that would lead to more positive outcomes.

One study (see Rosenbaum, Rabinowitz, & Kulieke, 1986) showed that when poor families were simply relocated to live in the suburbs, their children achieved significantly better without any special help. The reasons, however, for these impressive results are mixed and unclear. It is uncertain whether middle class values or better access to services and good schools made the difference.

- **Neighborhood supports.** Some research focuses on the degree to which neighborhoods support effective parenting. Some studies have shown that effective parenting has been found at lower rates in poor neighborhoods. It may be that poor neighborhoods undermine effective parenting or that they elicit different parenting strategies (e.g., some parents pursue the “lockup” strategy to protect their children in bad neighborhoods). Poor neighborhoods may have fewer shared values, parent-to-parent networks, etc.
- **Social organization and social control.** The high amount of mobility in poor neighborhoods (both within the neighborhood and out-migration) diminishes social cohesion and social control, which then affects outcomes for children.

Coulton noted that she wanted to close by linking these questions about neighborhood effects and about the mechanisms through which poverty affects children with some of the strategies which are used to reduce the impact of poverty on children.

Many of the strategies used are directed towards specific outcomes (fighting infant mortality, child abuse, etc.). These strategies are supported by earlier research findings on risk factors and single outcomes. Coulton said, “If we are beginning to appreciate the importance of ecology and the neighborhood environment, it is going to move us more in the direction of strategies that combine work at the neighborhood level with work at the individual, family, and child level. And specifically, if we know about the networks of parents and the degree to which there is consensus and support about the importance of parenting, then we need to work at that level of the networks of parent to parent relationships, as well as the individual, family, and child development.”

“And if we go even further to recognize that out-migration, that constant mobility, that churning within neighborhoods is detrimental to cohesion and control and those things are partly responsible for the outcomes we see in poor children, then we also have to be working at that level.”

Coulton concluded by saying that as this research begins to give us a more definitive focus on what is happening in poor neighborhoods that affects parents and affects children, it will begin to lead us to more comprehensive community and family building interventions that allow these environments to support effective parenting for poor families.

Points Raised During Discussion

- The first questioner asked whether the complexity of factors underlying family poverty meant that we should go on with what we are presently doing, only do it better and in a more integrated fashion, or should “we get out of the box and do things very differently?”

Coulton responded by saying we should do both. Even current programs—such as prenatal care—do not reach many of those who need them. However, she believes that existing approaches, even if they were better integrated, will not touch some of the factors that the compelling findings from this new wave of neighborhood studies are beginning to suggest are important—such as community cohesion, social control, peer influences, and so forth. The other problem is that we don’t know how, or even whether to achieve greater residential stability and, for example, stop the elderly from moving out of underclass neighborhoods.

Sawhill felt that some of the blame did need to be laid at the feet of the federal government for creating so many diverse funding streams, regulations, and monitoring bodies. The results of which were clearly not in the best interests of poor people.

- **O’Connor** was then asked to explain more fully what she meant by William Julius Wilson’s ideas about the influence of racial and cultural factors. She said Wilson began by talking about “the declining significance of race,” and was now talking about the continuing significance of race. In particular, two studies of employers attitudes and practices influenced him. The first was by his own students in Chicago (see Kirschenman & Neckerman, 1991), the second by researchers at the Urban Institute (see additional references). Both studies showed continuing patterns of discrimination at the entry level, but of a somewhat subtle and complex nature (for example, employers ranked the employability of different minority groups—with black men at the bottom).

In addition, ethnographic studies from Wilson’s project are coming to some preliminary, highly controversial conclusions about why Hispanic immigrants are willing to accept lower wage jobs and worse working conditions than blacks.

- A member of the audience pointed out that the federal consumer expenditure survey lacks data about the quality of goods and services received. If there were data, it might show some important differences between rural and urban poor. For example, in general, the rural poor seem more deprived of services, yet the quality of their environment is usually higher and they are often able to produce some food themselves. Nor is there data collected about home production in general—although several other countries are collecting such data. (Home production includes caring for one’s own children.)

Jensen commented that local studies do suggest high rates of informal, underground economic activity among the poor. A survey he and his colleagues conducted in Pennsylvania found that 60% of the poor engaged in some underground income producing activities and while the amount earned was small, the majority felt that it made a critical difference to their well-being. Jensen added that another frustrating limitation of existing national data was that the Census Bureau Survey of Income and Program Participation (SIPP) does not publish the data with metro/nonmetro identifiers.

- A question was raised about the implicit cultural bias in terms such as “effective parenting” and “social control.”

Coulton clarified that social control was a short-hand term used in the neighborhood effects research to mean internal social control within the neighborhood (not controls imposed externally), which did allow for cultural differences. However, she agreed that the developmental research on effective parenting was culturally loaded (measures such as parental “warmth”). Nevertheless, “effective parenting” was highly correlated with desirable outcomes such as school achievement and cognitive development. The HOME scale is one of the most widely used of such measures, and is used in the mother-child supplement to the 1986 National Longitudinal Survey. It measures aspects of the home environment such as safety and intellectual stimulation (number of books in the house) (see Zill, et al., 1991).

- The panelists were asked if any of the studies mentioned examined the strength and quality of the institutions in different types of poor neighborhoods. **Coulton** replied that until recently the studies used existing national data bases which did not collect useful information about supermarkets, stores, libraries, churches, etc. Several ongoing local studies are now beginning to do this, but it is a very labor intensive work. (For example, Robert Sampson in Chicago, Frank Furstenberg in Philadelphia, and her own studies in Cleveland.)
- One questioner expressed surprise that the impact of health care and housing on poverty had not yet been mentioned. These were two issues that the middle class, whose support for antipoverty strategies is often lacking, could understand well. She mentioned, for example, that a recent study in Minnesota found that low-cost housing in rural areas was more expensive than comparable low-cost housing in urban areas.

O’Connor mentioned that health care is wrongly judged not to be an issue in underclass areas, as the residents are assumed to be covered by Medicaid, and is considered more of an issue for the working poor. Nevertheless, many underclass residents do not have access to any health care other than emergency room care, the quality of care is poor, and preventive care is lacking.

Jensen commented that rural poor families have to travel vast distances to get access to health services, and in many areas the shortage of doctors is acute.

- There was some discussion about the difficulty of integrating neighborhoods economically—a goal which the underclass research suggests is desirable. Community redevelopment efforts have had mixed results—sometimes ending up with middle class enclaves in the midst of poor neighborhoods with no social mixing between them.
- A program officer from a foundation asked for a discussion of the policy approaches for families with the very youngest children—she found their needs were distinctive and often overlooked.

Sawhill agreed that the ages zero to three were an absolutely critical period for children’s development, and prevention and early intervention programs would appear to be strongly indicated for poor young families. Yet, paradoxically, policymakers have generally done less for this age group on the assumption that the well-being of the very youngest children should be left to their families.

In **Sawhill’s** view, we need to seriously question why public funding of out-of-home care for children age 5 and older is not only acceptable but, by age 6, required, yet it is not considered by many to be acceptable for younger children. A consensus of studies seems to be that out-of-home care for toddlers over age 1 is beneficial to disadvantaged children and has no harmful effects for middle class children. (Infants under one year of age appear to do better if they stay home and bond with one caregiver, usually the mother.) Sawhill added that she serves on a Task Force on this issue set up by the Carnegie Foundation and chaired by Governor Riley.

Additional reference:

Rosenbaum, J., Rabinowitz, L., and Kulieke, M., “Low-Income Black Children in White Suburban Schools,” Working paper. A report to the Spencer Foundation, Chicago: The Center for Urban Affairs and Policy Research, Northwestern University, February 1986.

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*A Background Briefing Report
by Theodora Ooms*

Introduction

The USA leads the world in economic well-being, and yet nearly one in five American children live in a poor family, a rate higher than seven other major industrial countries. This fact is at once a paradox and, for many, a cause for shame and deep concern.

In the mid-eighties the continuing high rates of child poverty began to arouse considerable public concern. Debates about appropriate policies, dormant since the mid-seventies, were reengaged. Conservatives took the lead and challenged the basic assumptions and design of existing strategies for helping the poor. While substantial progress had been made in reducing poverty in America, it was hard to understand why three decades of government programs had succeeded in dramatically reducing the poverty rates of the elderly, yet apparently had little effect on the likelihood that children will be poor. Child poverty rates had climbed back up to the high levels of the mid-sixties.

An astonishingly wide array of proposals have been put forward by policymakers across the political spectrum. Some insist the most important goal is to reduce dependency, others to raise incomes, still others to change behavior. Some wish to scrap the welfare system entirely, others to radically reform it. The National Commission on Children proposed a comprehensive, universal income security plan which would cost \$40 billion. Other proposals focus on promoting economic growth, opening up labor market opportunities, and finding ways of making work pay.

The public discussions surrounding these proposals are loaded with many stereotypes and myths about who the poor are and why they are poor. For example, the typical poor family is generally portrayed as headed by a black, single, welfare mother with numerous children born out of wedlock and living in the inner city. Yet the facts are:

- There are twice as many poor white children as poor black children.
- 42% of poor children live with two parents.
- Two-thirds of poor families had someone who worked during the year.
- 40% of poor children live with only one or no siblings.
- Rural families are more likely to be poor than those who live in metropolitan areas.

In the past decade there has been an explosion of new studies investigating the nature, causes, and consequences of child and family poverty, and the effectiveness of anti-poverty policy. This rich body of research is beginning to disaggregate the composition of the poor and disentangle the many complicated facets of poverty. One of the most pressing and politically sensitive of all the questions is to what extent family demographic behavior—the formation of single-parent households—is responsible for the rise in child poverty in the late seventies and eighties? And if family behavior is largely the explanation, what, if anything, can be done about it?

While this and many other questions remain unanswered, there is now a great deal more information available to guide policymaking. There is general agreement among experts that no single strategy holds all the answers. Policy to reduce poverty must be multi-pronged and needs to address both structural and behavioral causes of poverty.

This background briefing report is the first in a series of three and summarizes some major themes of this vast and growing body of poverty literature, highlighting issues and questions that are of special relevance to families with children. Our purpose is to share some of the emerging new thinking and findings about family poverty and consider their relevance for policy. Our hope is that readers will thereby become better armed to analyze and assess the merits of particular policy proposals through asking the following questions:

- What are the specific goals of this proposal? What aspects of poverty does it address?
- Which type(s) of poor families does it target?
- Does it take into account the different circumstances and needs of poor families living in different geographical environments?
- Is it solidly grounded on current knowledge about the dynamics and causes of poverty for this particular subgroup(s) of families?
- Is there research evidence to suggest that this proposal may be effective?
- Does this proposal adequately incorporate the shared core values needed for it to gain public support?

In the second and third briefing reports we will consider several proposed anti-poverty strategies in the light of such questions and will also examine evidence about the costs and effectiveness of particular strategies.

This report will first, briefly discuss the definition and measurement of poverty and present some basic characteristics of poor families. Second, we discuss some of the dimensions of poverty—the new ways of thinking about poverty—that have emerged in recent years. Third, we examine in more detail the patterns and distinctive characteristics of two major types of poor families—two-parent and single-parent households. Fourth, we present highlights of the literature examining poverty in the urban and rural contexts, looking especially at the concept of a subgroup of the poor, referred to as the “underclass.” Finally, we include a list of resource organizations and selected references.

Definitions and Measures of Poverty

(Sources: CBO, 1985 and 1988; Haveman, 1992-93; Lebergott, 1976; Levitan, 1990; Ruggles, 1990 and 1992; Sawhill, 1988)

Poverty is essentially a subjective concept and may include psychological, behavioral, and spiritual dimensions. However, in general, in the U.S. people deemed to be poor are those who are judged to have insufficient income to meet their basic, necessary needs for food, shelter, clothing, etc. To help them meet these needs many so-called “safety net” programs have been put in place. The measurement of poverty is, therefore, a statistical exercise based upon translating these subjective standards of need into a dollar figure. Since 1969, the official Census Bureau definition of poverty, developed by Mollie Orshansky in 1964 for the Social Security Administration, has been widely used and accepted. However, it has recently come under a great deal of criticism: some believe that flaws in the measure lead to an overestimate of the poverty rate, others that it underestimates poverty.

Census definition. The official U.S. Census definition of poverty “compares the total cash (annual) income of an individual’s family with a poverty threshold based on a multiple of the cost of a nutritionally adequate diet for a family of that size and composition: if the family income is below the threshold, each member of the family is officially classified as poor,” (CBO, 1985, p. 149). The measure is indexed annually to the Consumer Price Index.

In 1991, the poverty threshold for a family of three was \$10,873 and for a family of four, \$13,942. If a family’s total money income (pre-tax but post-transfers) falls below its relevant threshold it is counted as poor. This measure has proved to be extremely useful as it has permitted comparisons over time and between demographic groups.

Problems and alternatives. However, major criticisms have been leveled against the official measure and alternative measures have been proposed and are increasingly in use. Some of these would raise the threshold, others would lower it. Among the main criticisms are:

- The formula originally used for determining a minimum level of need is based on outdated consumption patterns. It also made no allowance for the variation in cost of living in different regions. The Orshansky measure, based on some research, assumed that average families spent about one-third of their income on food, and therefore the need standard was defined as three times the cost of nutritionally adequate “basket” of food for a family of that size. However, the relative price of housing has since increased considerably, and varies by region. Families now spend an average of 42% on housing costs and only one-sixth on food.
- The formula is an absolute, somewhat arbitrary standard that does not take into account overall rising living standards. Expenditures once considered luxuries have now become necessities (such as a telephone, a television and even a car). Because the official level has not been pegged to rising living standards, the gap between the poverty threshold and the median income level has widened. If a relative standard such as 50% of the median income level was adopted, the poverty rates would rise. (The original Orshansky level in the mid-sixties did represent about 50% of the median income.)
- The income measure used in the formula has been criticized for a number of reasons. First, income reported to the census interviewer (in the CPS survey) probably fails to include income that is earned “off the books” or illegally and income in the form of barter or material gifts. Second, the official measure ignores noncash income and, therefore, understates the well-being of families who receive

in-kind benefits such as food stamps or housing subsidies. Although new poverty measures have been developed to take in-kind benefits into account, it is a very difficult matter to know whether and how to include a measure of the market value of medical benefits, since these benefits are unevenly consumed. If these in-kind benefits are taken into account, poverty rates are reduced.

- Third, the official measure uses pre-tax income and, thus, overestimates the amount of money a family has at its disposal to spend. This was not a serious concern when it was first developed since poor families were essentially exempted from paying any taxes. However, the eroding value of the personal exemptions and the rise in payroll taxes has meant that poor families do pay substantial taxes. In 1984, a four-person working poor family paid 10% of its earnings in income and payroll taxes. (Recent policy changes in the EITC are helping to offset this tax burden.) A measure that used income adjusted for taxes would increase the poverty rate.
- The measure ignores wealth. A family with savings that undergoes a drop in income may not, for example, have to adjust their consumption standards by much (and may still be able to pay their rent) compared with another family with no savings who may, therefore, become homeless.
- The use of an absolute threshold obscures differences within the poverty population—for example, how many are in “deep” poverty—and the needs of the near poor. Alternative measures have therefore been developed to set additional standards such as “deep poverty” (families with money income of less than 50% of the official threshold), and near poverty (those with income 125-150% above the threshold).

There are a number of other, more technical problems with how the official poverty standard is measured. These include problems with the survey data on which it is based, such as the underreporting of income and the undercounting of certain groups such as the homeless. Also annual cash income for some people fluctuates considerably from year to year and it may not be appropriate to include a self-employed person who had one bad year among the poor.

A recent, major study proposes that a much needed basic reform is to reestimate the market “food basket” of “minimum needs” at regular intervals. A revised measure based on a reassessment of housing costs or one based on an updated food multiplier would result in considerably higher poverty rates, especially in the recent period (Ruggles, 1990 and 1992).

The Bureau of the Census currently prepares a series of alternative poverty estimates on an exploratory basis. One calculation using twelve alternative measures results in child poverty rates for 1982 that vary from 19.4% to 27.7% compared with 21.9% under the official definition (CBO, 1985, pp. 168-170). Use of the alternative measures does not, however, alter the basic trends in child and family poverty or the major changes in the age composition of the poor in recent decades.

In 1992, the Committee on National Statistics of the National Academy of Sciences established a panel in response to two congressional directives to examine these various issues of poverty measurement. The panel is formally titled “*Panel on Poverty and Family Assistance: Concepts, Information Needs, and Measurement Methods.*”

Different Poverty Rates. For the unwary reader it is important to note that when poverty rates are quoted, the base they are calculated from may differ. For example, poverty rates most often apply to individuals, but sometimes they apply to family units. (Poverty rates for individual children are generally higher than for families since a family of 6 members is weighted the same as a family with only two or three. For this reason, most analysts prefer to use the individually based rates.) Sometimes the base for an individual’s poverty rate is all persons, sometimes it is for special subgroups by age, such as the elderly or children under age 18.

However, poverty rates may also apply to family units, in which case the base may be all families. (The Census Bureau defines as any household group of two or more individuals related by blood, marriage, or adoption.) But the base may be a subgroup of families, namely all families with children under age 18.

In Tables I and II we have compiled some summary statistics for five different poverty rates: (i) for all persons; (ii) for all children under age 18; (iii) for all families with children under age 18; (iv) for married couples with children under age 18; and (v) for female-headed families with children under age 18. Also see Table III. (All Tables and Figures are at the end of the report on pages 45-52.)

II. Poor Families and Their Children: Major Trends and Characteristics

(Sources: Bureau of the Census, 1991; CBO, 1985; Committee on Ways and Means (CWM), 1985, 1992, and 1993; Eggebeen & Lichter, 1991; National Center for Children in Poverty, 1991; Sawhill, 1988; Smolensky, Danziger, & Gottschalk, 1988)

Trends in child poverty. The astonishing growth of the American economy in the post-war period saw major declines in poverty for all population groups, especially the elderly. The most paradoxical and frustrating aspect of the trends is that, after 1979, the rates for children rose again and remain high, unaffected by improvements in the economy. *Figure 3* shows the child poverty rates compared with the elderly poverty rates for two time periods. *Figure 3.1*, 1939-85, shows the downward trend for both age groups, until 1969 when the child poverty rate begins to rise again. *Figure 3.2*, 1966-86, shows in more detail the fluctuations in both rates for the recent period. Since 1976, there has been a steady and widening divergence between the child and elderly poverty rates.

In 1959, the child poverty rate was 27.3%. By 1969, after a period of rapid economic growth, the child poverty rate had fallen to 14%. It hovered at 16% in the seventies, a period of relative economic stagnation, falling wage rates, and low productivity growth. As the economy entered the recession of the early eighties the rates rose sharply once again, reaching a high of 21.9% in 1982. The following decade of a slow recovery has had minimal effect. In 1990, one in five (20.6%) children lived in families below the poverty line, which was a return to the poverty levels of the mid-sixties (see Table I).

In 1990, of all those children in poverty, 5.9 million were white, 3.7 million were black, and 2.4 million were Hispanic. (Persons of Hispanic origin may be classified in census data as being of any race, although they are usually counted under the white category.) 346,000 were Asian Americans and 260,000 were Native Americans.

Child poverty rates vary somewhat by age, and vary considerably by family composition, race, and whether their family lives in the inner city, suburb, or rural areas. (The references for most of the statistics given in this section, unless otherwise noted, are the Bureau of Census, 1991; and the Committee on Ways and Means Green Book, 1992.)

- **Age of child.** Since incomes rise with age, it is not surprising that the youngest families, who have the youngest children, are more likely to be poor. Child poverty rates are generally not reported by year of age, but the National Center for Children in Poverty has compiled statistics on child poverty for children under age six (NCCP, 1991). These data confirm the somewhat higher poverty rates of children under 6. In 1990, 23.6% of children under age 6 were poor compared with 19.0% of children ages 6-17. Over the decade 1979-1989, the poverty rate for these youngest children increased at a higher rate than for older children. (In 1983, it was 25%.) These data, however, include all families with young children.
- **Age of family head.** When statistics are tabulated separately for young, primary families, i.e., in which the parent(s) are younger than 30 years old and live in their own households (as distinct from young sub-families), the child poverty rates were 40% in 1990. (Johnson, Sum, and Weill, 1992). By contrast, if the family head is age 30-64 the child poverty rate in 1990 was only 15.1%. (Note: About one-fifth of all children and about a half of all children under age six live in young families.)

- **Family size.** As the number of children in the family increases, so does the likelihood that the children in the family will be poor. In 1990, only 12.4% of children living in one child homes were poor, compared to 23.7% of children in three-child homes and 50.6% of children who had four or more siblings. Over recent decades, however, average family size has fallen, which has helped to counteract the trends which increase poverty rates.
- **Race/ethnicity.** The child poverty rate varies dramatically by racial and ethnic group. The fact that children in minority families are so much more likely to be poor accounts in large part for the stereotyping of poverty as essentially a minority problem. Even though, in terms of total numbers, more white children are poor than black and Hispanic children combined.

In 1990, 44.8% of black children, 38.4% of Hispanic, and 15.9% of white children lived in poor families. The peak year for child poverty rates was 1982 when 47.6% of black, 39.4% of Hispanic, and 17% of white children were poor.

A recent Children's Defense Fund analysis of 1990 Census data calculated the chances of a child being poor for different racial and ethnic groups as follows:

- 39.8% (two in five) for black children
- 38.8% (two in five) for Native Americans
- 32.2% (one in three) for Hispanics
- 17.1% (one in six) for Asian Americans
- 12.5% (one in eight) for whites.

Black children are far more likely to experience poverty at some point during their childhood than whites. An analysis of the Michigan Panel Study of Income Dynamics (PSID) showed that over a ten-year period, the overwhelming majority of white children escaped poverty (73%), whereas only a small number of black children did (22%). Based on this study, it is estimated that over one-half of all black children will spend at least 4-10 years of their first ten years of life in poverty.

- **Family structure.** The child poverty rate varies even more dramatically by family structure than by race. In 1990, 53.4% of the children living in female-headed households were poor as compared with only 10.7% of children living in two-parent households.
- **Race and family structure combined.** When the racial/ethnic characteristics are combined with family structure the differences are even more striking. In 1990, 64.8% of black children, 68.5% of Hispanic children, and 46% of white children living in female-headed households were poor. By contrast, only 18.1% of black, 26.5% of Hispanic, and 9.2% of white children living in two-parent families were poor (see Figure 4).

In other words, a Hispanic child living in a female-headed household is at highest risk for being poor, whereas a white child living in a two-parent family is the least likely to be poor.

We discuss below, on page 18, the extent to which the dramatic rise in the formation of female-headed households over this time period can account for the persistently high rates of child poverty.

III. New Ways of Thinking About Family Poverty

(Sources: Bane & Ellwood, 1986; Committee on Ways and Means (CWM), 1988 and 1990; Ellwood, 1988; Gottschalk, McLanahan, & Sandefur, 1992; Jencks, 1992; Katz, 1989; Lerman, 1990; Mead, 1992; Rector, 1992; Sawhill, 1988)

Traditional thinking about poverty focused largely on identifying the numbers of the poor, and historically distinctions were made between the deserving and the undeserving poor. Although the sixties' War on Poverty was based on the new understanding of the so-called "culture of poverty," most government attempts to help the poor have centered on giving them money or in-kind subsidies which drew no distinctions between those who were deemed responsible for their plight and those who were not.

The new ways of thinking, based in large part on research as well as shifts in public attitudes, distinguishes between subgroups in the poverty population and emphasizes the multiple causes of poverty and the need for varied types of strategies. We list here several of the dimensions of this new thinking.

Dynamics of Poverty

Most poverty data and research to date is cross sectional, resulting in point-in-time descriptions of the numbers and characteristics of the poor. Recent analyses of the Michigan Panel Study of Income Dynamics (PSID) longitudinal data have been able to provide a portrait of transitions in and out of poverty and the duration of spells of poverty. These studies show that American society is still mobile economically—since most people's experience of poverty is short term. However, a small but important group remain in poverty for very long periods and at any one time they constitute the bulk of the poverty population. Sawhill and Condon's recent analysis (June, 1992) of longitudinal data, however, reveals that income mobility has not been increasing in recent decades and, in fact, because there is a growing gap between wages at the bottom and the top, lifetime income inequality appears to be growing.

Duration. Analyses by several scholars of the PSID have shown the duration of spells of poverty. (This research is well reviewed in the Green Book, CWM, 1992, pp. 1172-1182.) The findings show that among nonelderly families, nearly two-thirds of the poverty spells last less than two years. (Forty-five percent of poverty spells last only one year and an additional 16% last only two years. Only 13% of spells last seven or more years.) However, of all those currently poor, over 50% will be poor for more than nine years. A similar pattern exists for spells of welfare receipt: 50% of all welfare recipients are enrolled for less than 4 years, but the large majority of those on welfare at any one time (65%) are in the midst of long-term spells. Black, young, never-married mothers are the most likely to be on welfare for 10 years or more.

A limitation of the studies is that we do not yet know how many families who experience a spell of poverty recycle, again and again. Moreover, people who "escape" out of poverty do not necessarily enter the middle class. Many are likely to remain only a few steps away from falling under the "official" poverty line.

Using the same data, separate analyses focused on the duration of poverty for children found that only 4.8% of all children lived in persistently poor families. Black children were much more likely to be among the persistently poor. 30% of black children were persistently poor and 90% of all the children who were poor for 10 or more years were black (CWM, 1992).

Reasons for exits from, and entry into, poverty. The longitudinal studies also shed light on the proximate causes for transitions into and out of poverty. Changes in earnings account for the beginning of half of all childhood spells of poverty. But for two-parent families, two-thirds of poverty spells begin with a drop in earnings. Earnings changes, however, account for only one-fourth of the spells in female-headed households. Being born out-of-wedlock, or parental separation or divorce were the most important events propelling these children into poverty, not a change in their parent(s) earnings. Similarly, a parent's marriage was the most likely event that helped a child in a female-headed family exit out of poverty.

Intergenerational transmission of poverty. Conservatives and liberals alike are prone to cite the self-perpetuating cycle of poverty and dependency. The 1960s' War on Poverty, for example, was viewed by some as dedicated to breaking the "cycle of poverty and disadvantage." Until recently there was very little empirical evidence to test this assumption. One recent study of intergenerational welfare receipt found that only 19% of black daughters and 26% of white daughters in "highly dependent" families became "highly dependent" themselves (see CWM, 1992, p. 689).

A recent review of several of these studies reveals that children who grow up in poverty and/or on welfare are somewhat more likely to themselves be poor and receive welfare as an adult than those who did not grow up in welfare homes. But only a small percentage will become persistently poor themselves or heavy users of welfare. "For the majority of the poor and the majority of welfare recipients, neither poverty nor welfare is a trap for them or their children" (Gottschalk, et al., 1992, p. 13).

Attitudes and Values About Poverty

While this report focuses on the implications of research for poverty policy, it is important to note that attitudes and values about policy and dependency play a very strong role in shaping policy and, indeed, in the initial interpretation of social trends (see Lerman, 1990; Jencks, 1992). For example, some analysts are not impressed with the evidence of the seriousness of material, income poverty in America. They point out that by the standards of earlier decades (and certainly by the standards of many third world countries) American children are not poor, seriously malnourished, or inadequately housed, and so forth (Rector, 1992). These same analysts, however, are very impressed with behavioral poverty and the problems of dependency.

One of the new components of the literature on poverty is a much more explicit discussion of the underlying value dimensions involved. The emphasis on behavioral poverty, on the virtue of and obligation to work, on the importance of parental obligations, and on the moral values which should determine public policy goals—these value concepts are all changing the terms of the debate. They are a radical change from the era of the sixties' War on Poverty which emphasized the poor's rights and entitlements. These new themes—some of which echo the centuries-old themes of the "deserving" and "undeserving" poor—are to be found in the writings of liberal and conservative analysts alike (see, for example, Ellwood, 1988; and Mead, 1992). This is not the place to discuss these issues in any depth, but we simply note that in our next reports focusing on anti-poverty strategies we do expect to review some of the literature on public and expert attitudes and values about poverty.

Dependency and the Working Poor

Recent debates about poverty have reasserted the importance of the work ethic in American culture. Work is increasingly emphasized to be an obligation, with the corollary that work is the route to avoiding both dependency and poverty. New research disputes both assumptions.

The poor are often spoken of as synonymous with the welfare-dependent population. Yet, one of the most important contributions of recent poverty research is the discovery of the high rates of poverty among the working poor, especially among young working families. The concepts of poverty and dependency must not be confused.

The myth of self-sufficiency. Dependency is a highly pejorative term in the U.S. It also lacks precise meaning, as does its antonym “self-sufficiency.” Many nonelderly adults, primarily young mothers, are economically dependent on a parent or spouse. And although many equate self-sufficiency with being employed, many working adults receive some kind of direct government aid. And most receive government assistance, at least indirectly, through the various credits in the income tax system and other sources of aid such as farm subsidies.

When people say they want to reduce “dependency” they really mean reducing the numbers of mothers and children who receive a particular type of means tested government assistance, namely AFDC and allied programs. Yet, ironically, as Levitan (1990) has pointed out, the availability of welfare is what has allowed many single mothers to achieve a measure of independence through avoiding dependency upon their parents, husbands, or their children’s fathers.

But it turns out that dependency, like poverty, is not a binary, either/or concept. Many who receive welfare also work for at least some part of the year. And it also turns out that work is not always the route out of poverty or dependency. The majority of nonwelfare poor work, but their income is insufficient to lift them out of poverty and many are dependent upon food stamps and other sources of help.

Reduce poverty or dependency? Although the studies raise questions about the usefulness of the concept of dependence, politicians continue to cling to it and to confuse it with poverty. The Family Support Act of 1988 was initially touted as a major effort to reduce poverty but, as enacted, it was clearly targeted primarily on reducing dependency. (Although, in its original version the bill included a federal minimum welfare benefit which was aimed at reducing poverty in low-benefit states.)

The negative consequences of welfare dependence. Many believe it is more important to reduce welfare dependency than poverty *per se*. They offer several reasons for this view but not all of them are supported by research. The first is that since dependency is so despised, the welfare poor get little sympathy and support, and the program will always be in jeopardy of attack and cuts. Whereas programs to help the working poor are more acceptable. Yet, as counterpoint to this position, it should be pointed out that the working poor have received far less government aid over the years than the dependent poor.

Second, many believe that the experience of being on welfare has many indirect, negative consequences, such as discouraging marriage and encouraging irresponsible paternal behavior. Third, growing up in a welfare family is believed to have bad effects on the self-esteem and development of mothers and their children, and it too often becomes a self-perpetuating, demeaning, permanent way of life.

What studies are there to confirm or refute these beliefs? It is true that studies have found some small but significant effects of welfare on the propensity to divorce or have children out of wedlock (see Moffitt, 1992). Importantly, however, they do not appear to confirm the much more negative consequences of welfare—as compared to poverty *per se*—on children. Research suggests that the children of the working poor show similar levels of health and behavior problems and nearly as many learning problems as children from AFDC families (Zill, et al., 1991). In addition, AFDC children are much more likely to receive preventive medical care.

Contexts

(Sources: Center for the Study of Social Policy, 1992; Children’s Defense Fund, 1992; CWM 1992; Deavers & Hoppe, 1992)

Poverty is not a unitary phenomenon. The geographical and physical settings in which families live shapes their experience of poverty in distinctive ways. Contexts may also influence the availability and access to services and other kinds of support.

Poverty rates vary considerably by region of the country, by state, and by rural, suburban, and central city setting. The southern region had the highest poverty rates of 15.8 in 1990, followed by the West (13.0), the Midwest (12.4), and the Northeast (11.4). When the country is divided into metropolitan (including central cities and suburbs) and nonmetro areas, the poverty rate for rural areas exceeds that for urban metropolitan areas. Rural poverty rates in 1986 even exceeded those of the central cities (see Figure 1).

Child poverty rates by state. Child poverty rates vary considerably by state. Children in southern states were most likely to be poor. Only seven states—all in the Northeast—saw a decrease in child poverty over the decade of 1980-1990 (Center for the Study of Social Policy, 1991).

State child poverty rates range from the four states with the lowest rates of between 5.8-12.3% (New Hampshire, Connecticut, Utah, and Rhode Island) to the four states with the highest rates of between 29.2-34.3% (Arkansas, Alabama, Louisiana, and Mississippi). (These data, compiled by Kids Count, a project of the Center for the Study of Social Policy, represent a four-year average, 1985-89.)

An analysis of 1990 Census data found that the four states with the lowest poverty rates were New Hampshire, Connecticut, Alaska, and Maryland. The four states with the highest poverty rates were Mississippi, Louisiana, New Mexico, and West Virginia (Children’s Defense Fund, 1992).

Causes of Family Poverty

(Sources: Danziger & Stern, 1990; Ellwood, 1988; Johnson, et al., 1992; Levy, 1987; Mead, 1992; Rector, 1992; Sawhill, 1988)

Competing assumptions about the causes of poverty have shaped the policy debate over the decades. On the one hand, the more liberal view is that people are deemed to be poor either through traits that are no fault of their own (such as old age, disability, widowhood) or are the result of market and institutional forces such as recession, unemployment, discrimination, and racism. This is the view that has underlaid both the safety net and social insurance programs, and the equal opportunity programs such as compensatory education, affirmative action, Head Start, and so forth.

On the other hand, the more conservative view is that in a highly mobile society such as America, able-bodied adults are largely poor as a result of the personal choices they make (for example, to not seek work or not work hard enough, to divorce, and to have a child out of wedlock). Society was, thus, only “responsible” to the extent that it structured assistance programs that encouraged rather than discouraged such behaviors.

This largely ideological and polarized debate continues. Meanwhile, research has tried to identify and measure a wide range of factors that potentially play a part in the persistence of family poverty. The general conclusion seems to be that there is some evidence to support both positions. The overall poverty rate is determined by multiple, interacting factors—some institutional and some behavioral—each accounting for some components of the problem of child and family poverty.

The main factors cited in recent studies that contribute to the high rates of family and child poverty are as follows.

- **Poor performance of the economy.** The economic stagnation of the seventies, the recession and then slow recovery of the eighties, combined with persistently high rates of unemployment and growing earnings inequality have all been cited as major causes of family poverty.

Studies have shown that economic growth reduced the incidence of poverty among white, male-headed households during the 1960s and 1970s but less so during the 1980s. The effects of growth have been offset by demographic changes and by growing earnings inequality which has occurred within almost all demographic, occupation, and industrial sectors and grew during recoveries as well as recessions.

These combined economic factors have especially hit young, two-parent families (under age 30). Between 1973-1990, for all heads of young families with children, annual earnings (after adjusting for inflation) plummeted by 44% (Johnson, et al., 1992). Part of this decline is accounted for by shifts in family composition, but even among young, two-parent families, median annual earnings plunged by one-third. Slow productivity growth and the loss of many well-paying manufacturing jobs resulted in falling hourly wage rates for low-skilled workers and fewer jobs. Young couples were able to compensate in part for this loss of income by adding a second wage earner to the family, single parents had no such choice.

- **Declining value of government cash benefits.** AFDC benefits, not pegged to inflation, declined drastically in real terms over this period. In the early eighties, cuts in food stamps, AFDC and Medicaid programs, and other programs hurt young, low-income families. There was a dramatic decline between 1973-1987 in the average cash benefit received from all programs. According to a staff report of the House Committee on Ways and Means, between 1979 and 1989 (two peak years in the economic cycle) almost two-thirds of the increase in child poverty was due to changes in government policy (CWM, 1993).

Another estimate suggests that the combined effects of the economy and government policies account for nearly one-half of the increase in poverty among young families and children between 1973 and 1989 (Johnson, et al., 1992).

- **Increased taxation of low-income families.** Although the official poverty rate is calculated on pre-tax income, it is worth noting that taxes on the poor increased steadily from the mid-1970s through 1986 and reduced their disposable income. Inflation had eroded the value of the personal exemption, the zero bracket amount, and the earned income tax credit, and thus failed to offset the increasing payroll tax burden. In 1985, a family of four with income at the poverty line paid 10.5% in taxes. The effects of the tax reforms of 1986, however, reduced the effective tax rate to 2.3% of its income.
- **Neighborhood effects.** The high concentrations of poverty in certain neighborhoods and the spatial isolation of people living in these neighborhoods are seen to contribute to the distinctive characteristics and problems of a subgroup of the persistently poor, especially those living in urban ghettos (see p. 24).

Effects of Changes in Family Composition on Poverty

(Sources: Bane, 1986; Eggebeen & Lichter, 1991; Ellwood & Crane, 1990; Gottschalk & Danziger, 1990; Lerman, 1991; Sawhill, 1992)

The changes in family composition over the past three decades have been dramatic, but not all have increased poverty. Gottschalk has pointed out that the changes have had somewhat offsetting effects. For example, the reductions in the number of children per family and the increased educational achievement of their mothers reduced poverty. However, the staggering rise in the number of female-headed households, given their very high rates of poverty, has led many scholars to examine what proportion of the child poverty rate can be attributed to the trend towards single parenthood.

These studies have used somewhat different methodologies and time periods but have essentially attempted to estimate what the poverty rates would have been if family composition had remained unchanged.

An early attempt by Bane (1986) suggested that the changing household composition had only modest effects on the changes in poverty rate from 1959-1979 and almost no effect in the period 1979-83. However, as Eggebeen points out, Bane was examining the effects on the adult poverty rate. In his own analysis, Eggebeen found that child poverty rates would have been about one-third less in 1988 if family structure were the same as in 1960 (Eggebeen and Lichter, 1991).

Lerman (1991), using a simpler version of the same method, finds very large effects. “We find virtually all of the increase in child poverty associated with changing family structure.” Gottschalk and Danziger (1990) use a more discriminating regression model over a longer time period to estimate the effects of family structure jointly with those of other social and economic variables. They find the effects of family structure *per se* to be extremely large, but these are fully offset by higher female education levels and smaller family size.

Sawhill (forthcoming) summarizes the current evidence by saying, “As a first approximation, the rapid growth in the number and proportion of children living in single-parent families with their much lower incomes can explain virtually all the growth in child poverty.” However, she also notes that the determination of poverty is more complex than these models sometimes suggest, in that income also affects family structure, and both may be affected by other personal and societal factors.

Eggebeen and Lichter (1991) also point out a somewhat paradoxical statistical result, namely that the declining fertility of nonpoor, white families was an important factor in the rise of child poverty among whites (since an increasing proportion of white children, therefore, lived in poor families). Thus, he says, “a birth avoided by the nonpoor population indirectly contributes to the growth in the rate (but not the number) of poor children” (p. 814).

Consequences

(Sources: Chilman, 1991; Danziger & Stern, 1990; Dawson, 1991; Huston, ed., 1992; Korbin, 1992; McLoyd, 1990; McLoyd & Wilson, 1992; Molnar, et al., 1991; Patterson, 1992; Zill, et al., 1991 a and b; Zill & Schoenborn, 1990)

There is a large body of research that shows associations between low income and negative outcomes for poor children and their parents. But it is often hard to disentangle the effect of lack of income *per se* from the other factors such as family structure and race. For example, high rates of infant mortality have generally been explained by poverty. Recent studies, however, show that race has an independent effect: black women at all income levels are at a higher risk of infant mortality than white women.

Moreover, as often noted, correlations do not indicate the direction of causation or whether it is unidirectional or interactive. It is possible that some negative outcomes of child poverty are a result of characteristics or behavior of the parent(s) that existed prior to, or are otherwise independent of, becoming poor. For example, when a parent has low intelligence or is emotionally depressed, these characteristics themselves may be likely to propel the parent into poverty, and then they become exacerbated by the experience of being poor.

As another example, we know that the precipitating cause of welfare receipt for the majority of welfare families was giving birth as a teenager. However, although teen sexual activity and pregnancy is widespread, those adolescent girls who go on to bear children are much more likely to be failing in school, score low on tests, have poor relationships with their parents, and engage in other kinds of problem behaviors than other teens.

Nevertheless, although causation may not always be clear or unidirectional, from a policy perspective it is important to enumerate some of the negative consequences associated with poverty and dependency.

The problems of poverty. Children born into poor families are more likely to be premature, of low birth weight, and to die within the first year of birth. Poor children are generally in less good health, experience more illness, miss more school on account of illness, and have higher rates of mortality, including accidental death. Poor children are more likely to drop out of school, have lower educational achievement, and score lower on tests. Children whose parents receive welfare show very similar levels of health and behavior problems as other poor children.

A recent study of the characteristics of welfare mothers finds that they had low school achievement and test scores, nearly one-fifth had a health limitation, and one-fourth reported alcohol-related problems (Zill, et al., 1991). Several other studies have found that poor mothers, including welfare recipients, are at high risk for depression. A growing number of child development studies have shown how maternal depression is linked to negative outcomes for their children. Those mothers who are long-term welfare recipients have more serious problems than short-term recipients, including much lower self-esteem. However, in many ways welfare mothers are very similar to poor mothers who do not receive welfare.

Children in low-income families are found to have higher rates of developmental delays, learning disabilities, and emotional and behavioral problems, especially when the data are obtained from test scores or professional survey responses. In the National Health Interview Survey of Child Health black parents were less likely to report such problems than white parents (Zill & Schoenborn, 1990).

The effects of poverty on children are largely mediated through their neighborhood environment and through their parents. The problems and limitations of poor parents, together with their experience in having to cope with the conditions of poverty, means that poor families on average provide a less healthy, safe, and nourishing environment for their children. Parental poverty, therefore, has indirect, negative effects on the health and development of poor children.

Several studies of poor families have been able to use a measurement of the home environment which assesses factors such as the safety of the home and the quality of parent-child interaction (the HOME Scale). Only about one-third of welfare homes were providing a “supportive” home environment for their children, and nearly one-quarter were providing care that was clearly “deficient.” Again, the situation in terms of the home environment was found to be very similar in nonwelfare poor families (Zill, et al., 1991).

Other studies have emphasized that poor children are at greater risk of child abuse and neglect and, especially in urban areas, of developing AIDS and exposure to drug abuse and violence in the community. Poor families are also at greater risk of becoming homeless. Surveys show that violence towards children, especially severe violence, is more likely to occur in poor households. Single parents were more likely to be violent than those in two-parent households.

Persistent Economic Stress

Child development, ethnographic, and other studies have focused not only on the characteristics of the poor and their problems but have examined the pathways by which the experience of being poor and under persistent stress can lead to serious negative outcomes for the parents and the children (see Chilman, 1991; Huston, ed., 1992; McLoyd & Wilson, 1992; McLoyd, 1990). Unemployment has been found to be associated with poor marital relationships, and poor physical and mental health. Poor families experience more stressful life events but have fewer resources with which to cope with them. Typically, they also have inadequate social supports. In part because they move a lot and, therefore, develop fewer community attachments.

Children are acutely sensitive to their parents' stress. Depression, anxiety, and gloominess is catching. Persistent parental stress leads to less effective coping, which in turn leads to more stress and to anger and anxiety being taken out on the children through harsh, erratic discipline and lack of positive reinforcement or expression of affection. Forced frequent moving has devastating effects on children's sense of stability and on their schooling. In one recent study in Virginia, children who were subject to persistent economic stress over a period of three years were more likely than those who did not experience such stress to be low achieving, have difficulties in peer relations, show conduct problems at school, and report low self-esteem (Patterson, 1992).

This cataloging of the problems experienced by poor children and their parents is somewhat overwhelming. Although it fuels the desire to reduce poverty, it is not at all clear that giving money to the poor is the sole or the most urgent solution. Raising the income of poor families by a few hundred or even a couple of thousand dollars a year will have little immediate effect on remediating many of these complicated, interrelated consequences of persistent and serious poverty. Although it would undoubtedly be helpful for those who are temporarily poor and only at the margins of poverty.

IV. Patterns of Family Poverty

(Sources: CWM, 1992; Ellwood, 1988; Ellwood & Crane, 1990; Johnson, et al., 1992)

David Ellwood in his seminal book on family poverty (1988), asserts that the most useful approach to understanding child and family poverty is to analyze the experience of poor, two-parent families and poor, one-parent families separately. He points out that the causes of their poverty are different and they require a different, although overlapping, set of solutions. This section draws heavily on his discussion.

It is important to note that although conceptually these two types of families are distinct, in practice, children and their parents move between the two types. Many children who currently live in single-parent households started out in two-parent homes, and there is some evidence that their economic difficulties can be a major cause of the family breakup. Some children, who had a period of living only with one parent, will become part of a two-parent household when that parent marries or remarries.

Poor, Two-Parent Households

The poverty of two-parent families has largely escaped notice. This is a surprise since, as Ellwood noted, in 1984 half of all poor children lived with two parents, of whom nearly half were working full time. (This is of course no longer the case. As a result of the continuing rise in the formation of female-headed households, by 1990 only two in five poor children lived with both parents.)

The public's single-minded obsession with dependent, single-parent poverty and with reforming the welfare system has led, in Ellwood's view, to the neglect of policies that might strengthen the economic situation and stability of working, two-parent families.

The numbers. In 1990, 42.1 % of all poor children were living in two-parent households (5.35 million). Of these, about 76% were white, 23% nonwhite, and 26% Hispanic.

Put another way, what are the chances of a child being poor if he/she lives with two parents? If white, it is only about one in ten (9.5%); if black, it's about one in five (19.3%), but if Hispanic, the child's chances are nearly one in three of being poor (26.7%) (CWM, 1992, pp. 1168-1169).

Taking a longer view, analysis of the PSID shows that in the seventies, 80% of children living in stable, two-parent families escaped poverty entirely during their first ten years. Twenty percent had some experience of being poor. But poverty in a two-parent family usually lasts for a shorter time than in single-parent families: 13.6% of the children were poor for only 2-3 out of their first ten years and only 2% were long-term poor.

Work status. In 1984, 44% of poor, two-parent families were working full time (defined as either one full-year, full-time worker, or the combined efforts of both parents adding up to at least that amount). Thirty-five percent were either partially employed or actively looking for work.

It is important to note that these child poverty statistics refer to the presence of two parents in the home, with no indication whether they are the biological parents, step-parents, or indeed whether they are married.

Causes of Poverty in Two-Parent Families

Low wages are clearly the primary cause of poverty for the 44% of two-parent families who are "working fully." A full-time, year-round job at the minimum wage is not enough income to lift a family of four above the poverty threshold. In these families, wives are often employed part time. When they do not

work, nearly two-thirds report that they have children under age 6. Unless these families have access to free or highly subsidized child care, it may not pay for the mothers to work. That is, the income gained by working may not offset the costs of working (see Hanson & Ooms, 1991). For those two-parent families who are only partially employed, their poverty can be the direct result of unemployment and/or lack of motivation to work. The evidence that it is largely the former is that their number is highly sensitive to the unemployment rate. Thus, the reasons for these families' unemployment or underemployment is rooted in many factors in the broad economy discussed above.

About a quarter of poor, two-parent families report that illness or disability (usually short term) is the reason that they are not working.

Government transfers. Ellwood notes that in 1984, after government transfers are taken into account, poor, two-parent families are the poorest of the poor. Poor, two-parent families with a full-time worker (and no other unemployed or disabled person) are eligible for few government benefits. Less than a third report obtaining food stamps and the majority report getting no direct government benefits. Roughly 40% of poor, two-parent families reported that they had no medical care coverage at all.

Until 1986, they were not eligible for any government medical benefits, although the pregnant women and children in two-parent families could, in theory, qualify for the WIC program. However, states are now required to expand Medicaid eligibility to non-AFDC pregnant women and their children below 135% of the poverty line, and, at state option, to other categories of "medically" needy, low-income families. The children of poor, two-parent families are eligible for Head Start, various child care programs and subsidies, education programs for the disadvantaged (Chapter I), and the school lunch and breakfast programs.

Those in two-parent families who become unemployed should generally be eligible for unemployment insurance benefits, but low-income earners are less likely to receive these benefits than higher earners, and are less likely to be covered. In addition, the 1988 Family Support Act required that all states expand AFDC benefits to two-parent families (AFDC-UP). Fewer such families, however, are participating in this program than the Congressional Budget Office had estimated.

As noted earlier, two-parent, low-income families have been paying an increasing proportion of their income in federal payroll and income taxes.

Implications for Policy

This group of poor families is, in Ellwood's phrase, "playing by the rules"—they are fulfilling society's moral expectations—and yet they get the least help from the government.

Strong economic growth, which would lower unemployment and improve productivity and wages, would clearly be the most effective way of helping poor, two-parent working families. This is, as Ellwood says, the one group of the poor who are helped by "trickle-down" economic policies. But a strong economy may not arrive in the foreseeable future.

Meanwhile, Ellwood and others have suggested a number of other strategies which would have particular value to two-parent working families. These include:

- **Making work pay.** Various proposals include raising the minimum wage, wage subsidies, and expanding and making refundable the earned income tax credit; improving skills through better education and training; and, as a last resort, government-subsidized, minimum wage jobs (as an alternative to welfare).

- **Ensuring medical protection.** There seems to be a general consensus on the importance of this goal, but in the current debate about national health care reform there is lots of disagreement about appropriate strategies to achieve it.
- **Subsidizing the costs of children.** Since low-income families with children have lost ground proportionally to other families in the U.S., many argue that society has an interest in helping to subsidize the costs of caring for their children. Proposals include making the child care tax credit refundable (so it would benefit low-income and poor parents for the first time) and enacting refundable child tax credits. These would, in effect, be like a children's allowance and be made available to all families.

Poor, Single-Parent, Female-Headed Households

(Sources: CWM, 1992; Ellwood, 1988; Garfinkel & McLanahan, 1986; GAO, 1991; Spalter-Roth, Hartmann, & Andrews, 1992)

Numbers. Both the number and proportion of children living in one-parent families increased dramatically between 1960 and 1990. In 1960, only 9.1 % of all children (5.8 million) were living with a single parent. Three decades later, in 1990, 24.7% of all children (15.9 million), were living with one parent. In 1990, 19% of all white children under age 18 and 55% of all black children under age 18 lived with one parent. However, the majority of all one-parent families with children are white. The vast majority of single-parent families are headed by the mother. In 1990, only 8% of children living with one parent were living solely with their father—1.9 million—compared with 13.9 million children living only with their mother.

Female-headed families are much more likely to be poor. In 1990, 57.9% of all poor children were living in a female-headed household (7.36 million). Of these, about 48% were white, 51% nonwhite, and 18% Hispanic.

Put another way, what are the chances of a child living only with his/her mother being poor? If white, nearly one in two (45.9%), if black, nearly two in three (64.7%), and if Hispanic, more than two in three (68.4%) (CWM, 1992).

Taking the longer view, only 7% of children who remain living in a single-parent family throughout their childhood will escape poverty entirely; 32% will experience between 1-6 years of poverty; and 60% will be poor for at least 7-10 years.

Education. Nearly a half of poor, single mothers have not finished high school, compared with only 17% of nonpoor, single mothers.

Work status. The average single mother works more hours outside the home than the average married mother, but not as much as the average husband. In 1984, 41% of all single mothers worked full time, full year. However, only 9% of poor, single mothers work full time, full year; 30% worked part time, part year; 46% did not work at all although healthy; and 15% did not work due to illness, disability, or retirement.

There is much discussion about the importance of helping welfare mothers gain paid employment. Yet, the degree to which they are already in the paid labor force is not generally acknowledged. About 34% of AFDC mothers report on surveys that they did some paid work in the previous year and another 9-10% say they are looking for work (Zill, et al., 1991). A recent analysis of the Census Bureau's longitudinal survey, the Survey on Income and Program Participation (SIPP), found that 40% of single mothers combined work and welfare or cycled between these two income sources during the two-year survey period (Spalter-Roth, et al., 1992).

Another study suggests that all of these official surveys undercount the amount of welfare mothers' employment since much of it goes unreported. Jencks and Edlin conducted an in-depth study, interviewing 50 welfare mothers living in the Chicago metropolitan area to learn how they were able to cover their expenses—which were clearly in excess of their welfare benefits. They found that nearly all 50 engaged in some kind of work but, generally, did not report it to the welfare agency. Nor did they generally report other sources of income from family, boyfriends, or others (Jencks, 1992).

Types of single parents. It is important to note that these statistics do not clearly identify the four different types of single-parent families—widowed, divorced, separated, and never married. In 1990, of the children who only lived with one parent, 39% had parents who were divorced, 24% had parents who were separated, 31% had parents who were never married, and 7% had one parent who had died. These different subgroups have very different rates of employment, income, poverty, and welfare receipt. In general, never-married mothers are the most likely to be poor and to receive welfare for long periods, and are the least likely to work.

Causes of Poverty in Female-Headed Families

The causes of the poverty of female-headed families are varied but perhaps less surprising than the causes of the poverty of two-parent families. They include the following:

- **Balancing the dual roles of provider and caregiver.** The most important and obvious causes are the events that led to becoming a single parent—separation and divorce or the bearing of an out-of-wedlock child. When both parents share a household there are economies of scale and two adults are present to share the caretaking and provider responsibilities. A single parent has to fulfill the dual responsibilities, often with little or no help from the noncustodial parent.
- **Poor job opportunities.** Not all single parents are poor. But those who are have less education, job skills, and job experience. This means that they have fewer opportunities in the job market. They are also affected by the same economic forces that help create the poverty of two-parent families—low wages and unemployment. Moreover, when the only wages the single mother can get are low, they are often not sufficient to pay for the child care or babysitter and other work related expenses that she will incur if she works (Hanson & Ooms, 1991). The single mother who is without a boyfriend or extended family to help provide child care is thus caught in a Catch-22 situation.
- **Insufficient child support.** A major reason for the poverty of female-headed families is the failure of noncustodial fathers to fulfill their economic responsibilities. Only about 50% of single mothers had obtained child support awards. Of these, in 1989 only about half received what they were owed, another 24% received less than the amount they were owed, and 25% received no payment at all. For those who did receive some support, the average amount (\$2,995) was about 19% of their average total income.

Black and Hispanic women were much less likely to be awarded support than their white counterparts; never-married mothers were the least likely to be awarded child support payments (in part because in two-thirds of the cases legal paternity had never been established).

The combination of these different forces explains why so many single mothers are caught in a poverty “trap” from which it is hard to get out, except by marriage.

Government transfers. Poor, single parents are eligible for a wide range of government programs including AFDC, Medicaid, Food Stamps, the WIC program, and subsidized housing. Their children are also eligible for Head Start, various child care subsidies, a number of other federal education programs for disadvantaged, and the school breakfast and lunch programs. (An issue that will be reviewed in the next report is the extent to which these programs helped to reduce child and family poverty or, in the view of some, exacerbate it.)

Implications for Policy

(Sources: Cottingham & Ellwood, 1989; Danzinger, Sandefur, & Weinberg, eds., 1992-93)

Welfare reform is at the heart of many of the proposals to help poor, single mothers. The first step at the federal level was taken by the Family Support Act which, in 1988, gave new impetus to the philosophical shift already underway in the states. This shifted the program away from supporting dependency towards enforcing work and child support obligations, and had enforcing both parents' responsibility as the general theme.

Changing expectations of employment by single mothers. Underlying many of these proposals is a lack of clarity and consensus on how much the public expects a single mother to work outside the home, especially when her children are young? In Ellwood's phrase, do we want her to behave like a traditional father or a mother? Can she realistically be both? If we basically expect her to be the father/provider, then government must be prepared to step in to be the mother/caregiver. (This would signify a reversal of the original intention of the AFDC program which was designed to help widows be able to stay home and raise their children and not have to place them in public care.) Are we prepared to subsidize her work through subsidizing child care and other work-related expenses, even if it is not immediately cost-effective to do so, for the benefit of long-term gains for her, her children, and eventually the economy? Is it clear that her children will benefit if they are placed in child care?

There are now a plethora of proposals at federal and state levels that take these basic principles in new directions and include several new, and sometimes opposing, ideas. And as Ellwood notes, once single-parent households are on their way off welfare, they will still need the kinds of supports and benefits primarily designed for the two-parent working families—such as those that help to make work pay, assure medical protection, and so forth—in order to avoid slipping back into dependency again.

Among the proposals currently being discussed are the following:

- Increase levels of funding to implement the goals of the Family Support Act; mandate a minimum welfare benefit; reduce work disincentives (expand the earned income disregard).
- Tighten the work requirements for “able-bodied recipients.”
- Initiate “new paternalism” incentives and sanctions within state welfare reform that are designed to change behavior deemed to promote long-term dependency—e.g., to assure school attendance, utilization of preventive health care, avoidance of additional births, to marry, etc.
- Reduce welfare benefits in high-benefit states to lower the incentives to stay on welfare.
- Enact a Child Support Assurance program designed to guarantee the custodial mother a minimal level of child support.
- Replace the welfare system and food stamp program with transitional assistance of a limited duration.

- Expand the Earned Income Tax Credit to supplement low wages.
- Provide public service jobs for those who have exhausted their transitional assistance.
- Expand sex education, family planning programs, and access to abortion services in order to attempt to reduce the number of unwanted, unplanned births.

Strengthening marriage strategies. Since marriage-related behavior—parents’ failure to marry and the break-up of marriages through parental divorce and separation—is at the crux of the economic difficulties of single parenthood, it is interesting to note that almost none of the proposals attempt to address the issue of the marriage relationship directly.

There is a general feeling that providing economic and other program supports will help to “strengthen the family,” (which is often used as a code phrase for marital stability). There has also been a great deal of attention on whether welfare and other benefits provide economic disincentives to marry or incentives for divorce. Policymakers have felt so strongly about this alleged “incentive” effect that the Family Support Act of 1988 required all states to provide AFDC to married-couple families (AFDC-UP) for at least six months. However, various eligibility restrictions have meant that benefits are still not available to most young, married couples who have not yet accumulated a work history.

But the need to improve the **quality** of marriages in order to avoid unnecessary divorce is never discussed. (Although this question has not been well studied, by some estimates nearly half of all divorces with children could be prevented.) Policymakers have not generally promoted or funded preparation for marriage programs or programs that provide marital education, enrichment, counseling, or therapy. Nor have they supported research to determine the effectiveness of these interventions.

It is possible that this is because they are wary of getting into an area of private personal behavior. However, concern about personal privacy hasn’t prevented the sex education field from gaining policymakers’ and private sector support. It is also perhaps because the marriage and family program field has largely grown up in the private sector, and its effectiveness is not well studied or known in government circles.

V. Contexts: Urban Poverty and the Ghetto “Underclass”

(Sources: Chaskin, 1992; Crane, 1991; Jargowsky & Bane, 1991; Jencks, 1992; Jencks & Meyers, 1991; Jencks & Peterson, 1991; Johnson & Oliver, 1990-91, 1991; Larson, ed., 1992; Lynn & McGahey, 1990; Mare & Winship, 1991; Mincy, 1992; Sawhill, 1989; Wilson, 1987)

Definitions. In the last six years or so scholars and the media have taken an intense interest in urban poverty. More precisely, this interest has focused on a component of urban poverty which has become known as the “underclass” or, most recently, as the “ghetto” poor. The concept has been defined in several different ways, and each definition has resulted in a different estimate of the size of this subgroup of the poor.

What are some of the core characteristics most commonly ascribed to the “underclass?” Jargowsky and Bane (1991) discuss the three different dimensions of poverty that characterize the urban ghettos: persistent poverty (a time dimension); neighborhood poverty (space dimension); and underclass poverty (behavior dimension). Members of the underclass experience persistent low income, exhibit undesirable behaviors, and are located in high concentrations in the inner city.

Originally, an underclass neighborhood was defined as a census tract with a poverty rate of 20%. It quickly became redefined as an area with a 40% poverty rate. Although some social scientists have used the term underclass to apply to any group of people who are persistently poor, some say that persistent poverty needs to be experienced in tandem with socially problematic behavior to qualify for the term. Indeed, as Jencks has noted, the term is really a modern euphemism for the old concept of the “undeserving poor.” Members of the urban “underclass” live in concentrated areas of the inner cities (although there are some who recognize an underclass group in rural areas, see below p. 24).

These three concepts, if linked together, constitute the core meaning of the underclass. In addition, descriptions of underclass neighborhoods emphasize spatial characteristics such as physical deterioration of the housing, absence of strong community institutions, bad schools, an underground economy but no jobs, and widespread crime, drugs, and violence. All of these characteristics serve to reinforce the spatial and social isolation of the residents of these neighborhoods from the mainstream population.

Numbers. Depending on which of the core components are built into the definition the estimated size of the population living in underclass areas has ranged from a low of 1.8 million to a high of 10 million.

One widely accepted estimate defined underclass areas as those census tracts which scored high on the incidence of four problem behaviors: school dropout rates, numbers of female-headed families with children, welfare dependency, and joblessness or irregular employment among adult males (Ricketts & Sawhill, 1988). Using this approach led to the identification of 880 underclass neighborhoods around the U.S. in 1980, which contained 2.5 million people, of whom 70% are black and of these 1.1 million were poor. The majority of these neighborhoods were concentrated in the Northeast. To counter popular impressions, Ricketts and Sawhill emphasize that most poverty in the U.S. is not found in urban ghettos, and this includes black poverty. Only 5% of blacks live in ghetto neighborhoods, and they comprise only 15% of the black poor population.

The underclass as thus defined constitutes only a small part of the poverty population, is located in ghetto city areas, and is heavily minority. One reason for the sense of concern, even alarm, is that there is substantial evidence that the number of people living in underclass areas is growing. Between 1970-1980, the underclass population as just defined grew threefold, and these trends appear to be continuing.

Two factors appear to explain this growth: the out-migration of more middle class residents from inner-city areas and an increase in poverty of the urban population. Thus, more neighborhoods became “tipped” into the underclass category.

Although it incorporates the notion of culture, the literature originally describing the underclass concept differed from the “culture of poverty” literature of the 60s in its strong emphasis on structural economic factors.

Causes of the Growth of the Underclass

William Julius Wilson, a sociologist from the University of Chicago, reopened the debate in the mid-eighties by launching an intensive, ambitious, multi-disciplinary study into the structural, economic, and behavioral aspects of inner-city neighborhoods. In addition to emphasizing the drastic effects of the economic restructuring of urban economies, he asserted that it was important to acknowledge that “there is a heterogeneous grouping of inner-city families whose behavior contrasts sharply with that of mainstream America” (Wilson, 1987). The problems he was most concerned about were the high rates of unemployment among young black men, the high rates of out-of-wedlock births, and the deteriorating physical and social environment of ghetto neighborhoods. Drawing upon his research in the Chicago area, Wilson and his colleagues have developed the most comprehensive set of theories to date to explain the growth of the underclass. These have spawned an astonishing number of smaller studies designed to test or refine these ideas and hypotheses (see Social Science Research Council, p. 38), and even philosophical treatment of the underclass debate by African-American philosophers (Larson, ed., 1992).

Wilson’s three principal hypotheses are as follows:

(i) Changing employment opportunities. Joblessness among urban black men is largely a product of changes in the structure of the urban economy. According to Wilson, beginning in the early seventies there was a sharp decline in the number of industrial, low-skill jobs, and an increase in white collar jobs in the inner cities. The black, male, inner-city workforce lacked the skills needed for the available jobs. This became known as the “skills mismatch hypothesis.” And the jobs that were available to them had moved out into the suburbs and were difficult to reach—the “spatial mismatch hypothesis.”

There has been substantial evidence to support the negative effects of deindustrialization of the cities on black male employment and its corollary, the skills mismatch hypotheses. For example, in areas which by contrast have had a labor market with a low supply of workers, black males have had higher rates of employment and earnings. Some scholars believe that the practical difficulty adult black men have in commuting from the inner cities to jobs in the suburbs has been exaggerated (although this does appear to be a more serious problem for black youth). More important appear to be various racial discrimination factors leading employers to be reluctant to hire men from the ghetto (see Kirschenman and Neckerman, 1991).

(ii) Declines in black marriage rates. The undisputed, dramatic rise in the proportion of black children living in single-parent, female-headed families has roots in several demographic changes—declining birth rates among married women, rising separation and divorce rates, and an increased propensity to give birth out-of-wedlock. But the cause for the decline in black marriage rates is still not well understood.

Wilson proposed a highly plausible hypothesis: high rates of unemployment, compounded by the rising rates of incarceration and violent deaths in the inner cities, had led to a sharp decline in the “marriageable pool” of adult black men. The assumption here was that black women, especially single black mothers, could not find black men to marry who would be able to support them economically.

Although there is some evidence to suggest that shortage of marriageable males has played a role in the low marriage rates, most of the evidence suggests it is a minor one. The long-term decline in black marriage rates has been steady in spite of cycles in black unemployment rates. And black marriage rates have declined almost as sharply for highly skilled, middle class, employed black men as for the low skilled and unemployed. (The reasons for the decline in marriage may be different for different economic groups.)

It seems likely that blacks as well as whites are declining to marry to legitimate a child, partly as a result of the more tolerant social attitudes towards illegitimacy and sexual permissiveness, and partly as a result of the “independence” effect of increased female employment and earnings. Yet, still unexplained is why black marriage rates are so much lower than white and persist through life. This has not always been the case. In 1940, the black marriage rate was higher than whites: for every age and both genders, whites exceeded blacks in percentages of the never-married. By the 1980s just the opposite was true (Mare & Winship, 1991).

(iii) Neighborhood deterioration/contagion effects. Wilson’s studies have revived an interest in neighborhoods. Census data revealed that poor minority residents were densely concentrated in certain inner-city neighborhoods, in contrast to poor whites who tended to be disbursed throughout the metropolitan areas. Wilson argues that a major reason for this concentration of the minority poor was the out-migration, as a fall out from the civil rights era, of middle class blacks to the suburbs. The consequence was that as the proportion of middle class neighbors declined, weak labor force attachments and deviant behavior becomes more common. This finding has some evidence to support it but the relationships are proving to be complex and multi-faceted. Moreover, many traditional working class areas of the inner cities used to be organized around work. When work evaporates, the essential underpinning of the neighborhood crumbles.

An ongoing stream of theory and research is attempting to flesh out the concept of “neighborhood effects.” There are considerable methodological problems in this line of studies, involving in part the difficulty in controlling for family characteristics other than income. Significantly, several studies have found important differences among poverty neighborhoods in terms of the incidence of particular problem behaviors (see especially Coulton & Pandey, 1992). Poor neighborhoods are not homogeneous and the effects of poverty are clearly mediated by other factors.

Studies are looking at different aspects of the “neighborhood” phenomenon. One theory is the “role” modeling or “contagion” effect. This theory postulates that individuals’ and families’ behavior is influenced either positively or negatively by the behavior of their neighbors around them. Thus, when “good” middle class role models moved out, and less good or “bad” role models moved into a community one would expect the level of personal and social behaviors to decline.

A second aspect is the role of the social institutions in the community. Some poor neighborhoods still have strong community institutions, especially the school, church, social club, women’s organizations, etc. These institutions set social standards and help to support and monitor positive social behavior and discourage anti-social behavior. Thus, the quality of neighborhood institutions lend strength and support to, or may undermine, family members who are struggling themselves to manage their lives and monitor and control their children and youths’ behavior.

A third aspect is the physical environment of the neighborhood. When houses are boarded up, vacant lots left to go to seed, stores closed, bus stations trashed, public housing not maintained and repairs not made, streets not policed, and trashed not picked up, it becomes harder and harder for families to manage their lives competently, to feel a sense of pride and belonging, and to keep their children out of danger.

Family processes, management, and survival strategies. Not all children who grow up in impoverished, ghetto neighborhoods remain trapped in them, or engage in personally and socially destructive behaviors. A large stream of little known ethnographic studies conducted over the last three decades emphasize the heterogeneity within ghetto populations. They examine the factors that explain how some families successfully overcome the negative forces in the environment (Jarrett, 1992).

Implications for Policy

The studies of ghetto poverty are still in their infancy and there is little agreement yet on a packet of appropriate policy strategies. Moreover, the full implications of the neighborhood effects hypotheses have yet to be spelled out. Many believe that poor people living in the ghetto stand to benefit a great deal from comprehensive income security proposals, expanded child care subsidies, and so forth. Others would disagree. Conservatives insist that the key to behavioral poverty is altering the incentive structures within public “safety net” programs by reducing the current rewards for nonwork and single parenthood and increasing the relative rewards for work and marriage (Rector, 1992).

However, there seems to be a good deal of agreement that the problems of the inner cities are so complex and interrelated that approaches must be comprehensive and integrated. Attacking one component of the problem in isolation simply will not work. Among the proposals currently being tried or put forward that specifically target urban “underclass” poverty are the following:

- Promote more-balanced and strong economic growth in order to raise the levels of employment and wages for inner-city residents.
- Bring business back into the underclass neighborhoods through community development corporations and so called “enterprise zones.”
- Encourage minority entrepreneurship, ownership, and “empowerment” (e.g., in housing projects).
- Disperse public housing and offer subsidies for housing away from ghetto neighborhoods.
- Enforce anti-discrimination laws in housing and employment.
- Provide community-based youth training, employment, apprenticeship, and recreation programs which offer positive experiences of peer support and adult mentorship.
- Initiate comprehensive, neighborhood-based development and revitalization projects (see Ford Foundation, p. 33).
- Set up community/school-based, integrated, multi-service centers for children and families (see Ooms & Owen, December 1991).
- Establish family support and parent education centers within inner-city neighborhoods (see Staton, Ooms, & Owen, October 1991).

VI. Contexts: Rural Poverty and the Rural “Underclass”

(Sources: Deavers & Hoppe, 1992; Duncan, ed., 1992; Fitchen, 1991; Hoppe, 1991; Jensen, 1989 and 1991; Jensen & McLaughlin, forthcoming; Jensen & Tienda, 1989; O’Hare, 1988 and 1992; O’Hare & Curry-White, 1992; O’Hare & Pauti, 1990; Porter, 1989; Rogers, 1991; Shapiro & Greenstein, 1990)

Poverty rates have always been higher in nonmetropolitan (nonmetro) America than in metro areas. Nonetheless, the plight of the rural poor has been much neglected nationally. It may be that because poor families in rural areas are less visible than their counterparts in more densely settled urban areas, the problem of rural poverty has generated less worry and urgency.

Within the last decade there has been renewed interest in documenting the distinctive characteristics and experiences of the rural poor. A growing body of research has analyzed the patterns, causes, and consequences of poverty in nonmetropolitan areas. Their findings suggest that national antipoverty strategies may have an urban bias; the rural poor need somewhat different approaches.

Definitions

Much writing about rural poverty, including this report, uses the terms “nonmetro” and “rural” interchangeably. The Census Bureau, however, makes a clear distinction between these terms when presenting geographical data.

Metro area. The metro population resides in a metropolitan statistical area (MSA) as defined by the Office of Management and Budget in 1984. Essentially, a metro area includes an area with a clearly defined urban core of at least 50,000 with surrounding counties within commuting distance (with a total population of at least 100,000, 75,000 in New England).

Nonmetro area. Nonmetro areas are counties without an urban core and not in the commuting zone of a MSA.

Rural area. As the census defines it, a rural area is not synonymous with a nonmetro area, but refers specifically to areas of open country with fewer than 2,500 residents. Rural areas can be found within both metro and nonmetro areas. Metro counties can contain places that are both very rural and very poor. People in such places would be counted among the metro poor.

Trends and Composition

The rural population is about 23% of the total U.S. population. In 1990, 7.9 million families with children living in nonmetro areas were classified as poor. It is not well known that poverty rates in nonmetro areas are higher than in metro areas. In 1990, the national poverty rate for families with children was 16.4%. The metro rate was 15.7%, and the nonmetro rate was 18.9%. However, the center city rate was 25%.

Figure 2 shows that a much higher proportion of nonmetro children live in poor families (36% poor or near poor) compared with urban children (29% poor or near poor).

Nonmetro families are more likely to be white, two-parent, and employed than their counterparts in metro areas and in central cities of metro areas in particular. Although these differences appear to have narrowed in recent years.

Rural minorities. Nonmetro minorities have consistently ranked among the most economically deprived of all groups. Rural black families are the poorest group of all. In 1990, 46.1 % of rural black families with children were poor, a rate considerably higher than their central city counterparts (40.6%) (see Table

1). Seventy-five percent of children in black, mother-only families living in nonmetro areas are poor compared with 65% in metro areas (see Figure 2).

Blacks, Mexicans, and Native Americans together account for 90% of the rural minority population. Mexicans are clearly the most rural of the major Hispanic groups. As Leif Jensen notes, all three groups have a distinct rural history in the U.S. and “share a common legacy of profound subjugation and economic destitution” (1989: 512). They also suffer a double jeopardy owing to their geographic location and minority group status. These groups’ median family income rose substantially, from a very low base, in the sixties and seventies but then fell into rapid decline. Minority groups appear to be especially sensitive to changes in the economy.

There has been some discussion of whether the term “underclass” can be usefully applied to a subgroup of the rural poor (O’Hare, 1992; O’Hare & Curry White, 1992). There is a large subgroup who are persistently poor and who have high rates of many of the so-called problem behaviors—out-of-wedlock births, high unemployment, and school drop-out rates—which are two of the characteristics generally applied to the concept of the underclass. This rural underclass is more male, somewhat older, and includes higher proportions of whites than the underclass in the inner cities. Perhaps because rural poverty is less densely concentrated in particular neighborhoods, the term does not seem to be used much.

Background trends. Since the sixties, major changes in the rural economy have caused serious fluctuations in rural families’ economic status and in the character of the rural population. The rural economy boomed in the 20-year period between 1959-79. The high poverty rates at the beginning of the period declined rapidly to about 14%. From 1979-1982, the rural economy experienced a deep recession and many manufacturing jobs were lost. With the exception of the rural elderly who maintained their income gains, poverty rates climbed again and by 1984 had reached the previous levels of the mid-sixties (about 20%). They have since fallen a little in response to the mild recovery. The attached Figure 1 shows the trends in poverty rates by residence from 1967-1990.

The farming community also underwent radical changes during this period. While their incomes improved rapidly—farms became much larger and more technologically advanced—the farming population declined drastically. Most of the people who left farming went to the cities. Farmers are now only 11% of the nonmetro population (5 million) and make up only 2% of its poor.

Field reports from rural areas have noted recent demographic trends in rural areas which are not yet reflected in the official national statistics. These include increased rates of female-headed households and much higher rates of residential mobility and in-migration of poor families from the urban areas (Fitchen, 1991)

The Character of Rural Poverty

Fitchen, an anthropologist, provides a rich description of the character of rural poverty in New York (1991) which, while not necessarily generalizable to other areas, is suggestive of the heterogeneity of the rural poor. She distinguishes three residential patterns:

- a. Pockets of long-term, intergenerational poverty in the open countryside. These families typically are married and have one earner who has very low skills. They live in substandard housing, either as owners or, increasingly, renters. And they are socially very isolated.
- b. Poverty in small villages and small towns. In these areas, clusters of poor people live in rental apartments and are increasing in number as people move in from the country areas.

- c. Rapidly growing trailer parks and informal trailer clusters. Although not all mobile homes are inhabited by the poor, trailers are rapidly becoming the response to the shortage of inexpensive rural housing. Another source of low-cost housing are the winterized cabins, once rented to vacationers, which have deteriorated and are no longer considered fit to rent for vacations.

Lack of access to transportation is shared by all these rural residents and is a major barrier to their seeking and holding on to steady jobs and ensuring access to services. Indeed, Fitchen found that many rural women are entirely dependent upon their men for access to stores or services, and do not have driver licenses themselves.

Hidden homelessness is another growing problem. The stock of low-cost housing has been sharply reduced due to development, rural gentrification, tighter regulation, and inadequate public investment in housing. Since rural communities are largely devoid of public shelters and there are no warm grates as in the cities, the result of the housing shortfall is frequent moves and families constantly doubling up with relatives.

Causes of Rural Poverty

The changing structure of the rural economy and the consequent rural impoverishment has led to serious unemployment and housing shortages and a fall in real incomes. While there is a generally strong commitment to work among many rural residents, wages, especially of young rural workers, have suffered pervasive declines. The share of young rural workers (16-34) having low wage jobs increased by 11% points between 1979 and 1987, compared to 4% points for young urban workers. The mean earnings of young rural workers fell by 13% during this period compared to an increase of 1% among young workers in urban areas (O'Hare & Pauti, 1990).

Some of the increase in poverty can be explained by the shifting residential patterns—the higher earners moving out to urban areas, and lower-income families moving into rural areas. Some can also be explained by the same changes in family composition—increasing rates of female-headed households—as has affected the metro population. However, this trend has not been as strong a factor in the rural areas which, having somewhat more traditional values, have typically lagged somewhat in following national demographic trends.

Policy Implications

Studies of patterns of participation in government income maintenance and other anti-poverty programs suggest that programs targeting welfare-dependent, female-headed families—such as the JOBS program—have less relevance to the rural population. Indeed, though the rural poor have higher rates of participation in the food stamp program, they have much lower reliance on AFDC, and, in addition, the benefit levels are much lower in the predominantly rural (southern) states.

One of the reasons for the disparities between rural and metro poverty rates is that, on average, rural workers have less education. Thus, human capital investment strategies would seem to have special relevance to the rural population. Nevertheless, as often noted, these initiatives will fall short without an expansion in jobs available to rural residents. And Jensen and McLaughlin (forthcoming) point out, policy initiatives that make work pay—either through raising minimum wages or expanding the earned income tax credit—would be especially helpful in nonmetro areas. This is because nonmetro residents are more likely than metro residents to be working but still poor.

Improvement in the overall economy would clearly benefit the rural working poor who have suffered disproportionately in the recession and slow recovery. In addition, various proposals specifically targeting rural poor families include:

- Mandating minimum benefit levels for AFDC and liberalizing the eligibility rules for AFDC-UP;
- Increasing outreach, including improved physical accessibility, education, and information to cross cultural barriers needed to raise participation rates in government programs, especially for Hispanics;
- Increasing efforts to help Hispanic families learn English to improve their employability (through adult and family literacy programs and bilingual education programs);
- Providing preventive health services, child care, and family education and support. And building in transportation for remedial interventions for poor parents and young children when services cannot be provided in the home. (For example, home-based Head Start, home health and child development visitors, family day care, etc.)

VII. Implications for Policy

Based on this summary review of the research on different dimensions and contexts of poverty, it seems useful to group anti-poverty strategies into categories organized around the following broad goals:

1. To strengthen the economic situation of working, poor, two-parent families, both in the short and the long run (which will also help working, poor, single parents).
2. To reduce long-term poverty and welfare dependency of female-headed families.
3. To reduce the negative health, development, and education consequences of long-term poverty for children.
4. To help educate and support couples, and improve parents' ability to cope and manage their environment and improve their parenting skills.
5. To address the structural and behavioral problems associated with the underclass/poor in urban ghetto areas and the somewhat different set of problems in rural areas.
6. To try to prevent and reduce the family demographic behavior which so often leads a family into poverty.

In the next two briefing reports we will examine in more detail the value assumptions underlying these different goals and the effectiveness of the different types of anti-poverty strategies, and will critically assess a number of new proposals.

Organizational Resources

The following organizations provide support for and/or conduct research, advocacy, and related activities concerned with child and family poverty.

ASPEN INSTITUTE, Rural Economic Policy Program

The Rural Economic Policy Program (REPP) of the Aspen Institute was created in 1985 with the collaboration of the Rural Poverty and Resources Program of the Ford Foundation and the Wye Institute. It's mission is to consider mechanisms that could both increase understanding of changing poverty conditions, economic circumstances, and policy options in rural American and improve the capacity of rural leaders and researchers to identify questions and address them in a rigorous way.

REPP's program objectives are the following:

- To increase the body of knowledge addressing the rural economy, including strategies needed to stimulate that sector and tactics that can be used to help communities adjust to current conditions;
- To build research capacity in the academic disciplines, government agencies, and local organizations that have roles to play in expanding opportunity in rural America;
- To stimulate more discussion of rural concerns and policy options among policymakers, the media, and researchers; and,
- To gain leverage through this expanded knowledge and attention with which to more effectively persuade federal policymakers to include the rural dimension in the design and application of new federal policies.

Contact: Susan Sechler, The Rural Economic Policy Program, The Aspen Institute, 1333 New Hampshire Avenue NW, Washington, DC 20036. (202)736-5800.

CENTER FOR URBAN POVERTY AND SOCIAL CHANGE, Mandel School of Applied Social Sciences, Case Western Reserve University

The Center's mission is to link the University's social policy and social welfare research, analysis, and data management to community-based organizations and groups dealing with urban poverty. Through this linkage, the Center plans to achieve the following goals:

- Raise awareness and understanding of urban poverty, the factors that have lead to its current manifestations, and the impact of poverty on people and communities through conducting studies, writing reports, and hosting or participating in public forums.
- Enhance the effectiveness of community-based organizations' efforts to reduce poverty and its consequences through providing analyses, technical assistance, and direct access to data that can aid planning, evaluation, and coordination.
- Increase the capacity within the University and the community to investigate strategies to reduce persistent poverty and its consequences through providing practical research experiences for students and technical instruction for community-based personnel.

Contact: Claudia Coulton, Center Director, Mandel School of Applied Social Sciences, Case Western Reserve University, 11235 Bellflower Road, Cleveland, OH 44106-7164. (216)368-6946.

CENTER FOR THE STUDY OF URBAN POVERTY, University of California-Los Angeles

The Center for the Study of Urban Poverty (CSUP) was established at UCLA in 1989. CSUP's primary mission is to link university resources and expertise with those of federal, state, local, and community-based agencies and organizations concerned with issues related to urban poverty and social service delivery.

CSUP has a broad set of education and training initiatives, including the following: Undergraduate Research and Training Program; Urban Alternative Transfer Project; Workshop on Urban Poverty and Public Policy; Community Empowerment Project; and the Summer Dissertation Workshop for Minority Students Engaged in Research on the Urban Underclass. CSUP has also established a formal education, training, and research exchange program with the University of Michigan. The collaboration is designed to further enhance our ability to provide in-depth and broad-based training for a new generation of poverty researchers and social service practitioners.

Contact: James Johnson, Jr., Director, or Melvin Oliver, UCLA Center for the Study of Urban Poverty, Institute for Social Science Research, 303 GSLIS, 405 Hilgard Avenue, Los Angeles, CA 90024-1484. (213)825-9156.

CENTER ON BUDGET AND POLICY PRIORITIES

Founded in 1981, The Center on Budget and Policy Priorities is an independent, nonprofit organization that conducts research and analysis on issues related to poverty, including public policy issues affecting low-income families and individuals, and on fiscal matters. Since 1986, the Center's work has covered state and local policies and programs, as well as those at the federal level. The Center's work is funded primarily by foundations.

With assistance from a Ford Foundation grant, through the Aspen Institute, the Center has produced various reports on different aspects of rural poverty. Available for a small fee are:

- *Limited Access: Health Care for the Rural Poor*, by Laura Summer;
- *Rural Disadvantage: Growing Income Disparities Between Rural and Urban Areas*, by Scott Barancik;
- *Fulfilling Work's Promise: Policies to Increase Incomes of the Rural Working Poor*, by Isaac Shapiro and Robert Greenstein;
- *Laboring for Less: Working but Poor in Rural America*, by Isaac Shapiro;
- *Rural Poverty in America: A National Overview*, by Kathy Porter.

Contact: Kathy Porter, Research Director, The Center on Budget and Policy Priorities, 777 North Capitol Street NE, Suite 705, Washington, DC 20002. (202)408-1080.

CHILDREN'S DEFENSE FUND

The Children's Defense Fund (CDF) exists to provide a strong and effective voice for the children and pays particular attention to the needs of poor, minority, and handicapped children. CDF's goal is to educate the nation about the needs of children and encourage preventive investment in children.

CDF released the results of a study on child poverty on July 7, 1992. Its data was compiled from state rankings of child poverty and family income data taken from published and unpublished official data from the 1990 U.S. Census of Income and Housing and comparable data from past Censuses.

CDF is a private, nonprofit organization supported by foundations, corporate grants, and individual donations.

Contact: Arloc Sherman, Research Associate, Children’s Defense Fund, 25 E Street NW, Washington, DC 20001. (202)682-8787.

CHILD TRENDS, INC.

Established in 1979, Child Trends is a nonprofit, nonpartisan organization dedicated to increasing knowledge about the effects of social change and government policies on the lives of U.S. children and families. Its seeks to accomplish its objectives by:

- Improving the concepts and methods that guide research on children and families.
- Educating the public about current trends and circumstances in children and families’ lives.
- Fostering collaboration among medical, behavioral, and social scientists and other professionals in the advancement of multi-disciplinary approaches.
- Encouraging other organizations and individuals to improve their use of statistical information concerning children and families.

Several of Child Trends’ projects, activities, and publications have focused on child and family poverty. Most recently, (i) staff prepared a statistical profile of young children in poverty that was used by the National Center for Children in Poverty in their 1990 publication, *Five Million Children: A Statistical Profile of our Youngest Children*. (ii) Prepared a profile of welfare children and their families that has been used by federal policymakers. (iii) Are currently involved in the evaluation of the JOBS program and specifically documenting its effects on children and family relationships.

Contact: Kristin Moore, Executive Director, Child Trends, Inc., 2100 M Street NW, Suite 411, Washington, DC 20037. (202)223-6288.

FORD FOUNDATION

The Ford Foundation is a private philanthropic institution, established in 1936. The Foundation’s work addresses problems and issues in the United States and abroad. Research on the changing dynamics of poverty is central to the Foundation’s philanthropic efforts. In its Urban Poverty, Rural Poverty and Resources Division, the Ford Foundation is involved in the following initiatives:

- Support for community development corporations (CDCs)—CDCs have been the cornerstone of the Ford Foundation’s efforts to revitalize distressed neighborhoods in U.S. cities. Over the past twenty years, the Foundation has invested nearly \$200 million in grants and loans in CDCs and organizations that support their work.
- Other Foundation initiatives to assist the urban poor include projects directed at high-risk youth. “New Chance,” a project of the Manpower Demonstration Research Corporation, seeks to help single mothers aged 17-20 with self-sufficiency education, and “The Urban Youth Corps Expansion Project” will involve the creation of youth corps programs for out-of-school youth in 15 cities.

- The Rural Poverty and Resources Program of the Ford Foundation has been seeking to alleviate rural poverty since the early 1950s. The Foundation emphasizes programs that strengthen economic and social development and increase employment opportunities in rural areas, especially for women and minorities.

A key partner in the Foundation's efforts to encourage research and education on rural poverty in the U.S. has been the Aspen Institute's Rural Economic Policy Program, which the Foundation helped establish in 1985.

Contact: Diana Bermudez, Project Officer, Urban Poverty Program, or Dr. E. Walter Coward, Jr., Director, Rural Poverty and Resources Program, The Ford Foundation, 320 East 43rd Street, New York, NY 10017. (212)573-5000.

INSTITUTE FOR RESEARCH ON POVERTY (IRP)

The IRP is a national, university-based center for research into the causes and consequences of income poverty and social inequality in the United States. It was established in 1966 at the University of Wisconsin-Madison by the U.S. Office of Economic Opportunity, the organization given responsibility for waging war on poverty at the national level. Over the years since then, researchers of diverse training and professional interests have pooled their knowledge and skills in pursuit of a common end. Through a multi-disciplinary approach, the Institute has (1) formulated and tested basic theories of poverty and equality, (2) developed and evaluated social policy, and (3) charted trends in poverty since 1939.

The IRP's activities include support for both intramural and extramural policy research and evaluation (including a Small Grants program); design and execution of special experimental studies; and sponsorship of conferences. IRP has an extensive publications program that includes scholarly monographs, a discussion paper series, a reprints series, special reports, and a newsletter, FOCUS.

Contact: Elizabeth Evanson, Institute for Research on Poverty, University of Wisconsin-Madison, 1180 Observatory Drive, 3412 Social Science Building, Madison, WI 53706. (608)262-6358.

INSTITUTE FOR WOMEN'S POLICY RESEARCH

The Institute for Women's Policy Research (IWPR) is a nonprofit, scientific research organization founded in 1987 to meet the need for women-centered, policy-oriented research. In coordination with policymakers, advocacy groups, and scholars, IWPR conducts research and disseminates the results which are aimed at enhancing awareness of policy issues which effect women and families. The Institute works to build a network of individuals and organizations that conduct and use policy research of particular importance to women.

The Institute has recently published several reports related to women's wages and employment based on analyses of the Census Bureau Survey of Income and Program Participation (SIPP) including, *Mothers, Children and Low Wage Work: The Ability to Earn a Family Wage* and *Increasing Working Mothers' Earnings*.

Contact: Roberta Spalter-Roth, Institute for Women's Policy Research, 1400 20th Street NW, Suite 104, Washington, DC 20036. (202)785-5100.

INTER-UNIVERSITY PROGRAM FOR LATINO RESEARCH/SOCIAL SCIENCE

RESEARCH COUNCIL (IUP/SSRC)

The origins of the IUP date back to 1983 when directors of four major Latino research centers saw the need for joining forces to engage in collaborative research. The Committee for Public Policy Research on Contemporary Hispanic Issues was established to combine the expertise of the Inter-University Program for Latino Research and the experience in research grant programs of the Social Science Research Council.

The Committee's goals are to establish a national capability for research and to build sensitivity to the diversity of interests and policy needs among the Latino populations of the U.S. Specific objectives are to promote comparative, interdisciplinary research on the major Latino groups; to establish working relationships among Latino and non-Latino scholars; to create a national network of scholarly and policy communities concerned with issues affecting Latinos; and to develop programs that support Latino students and faculty in higher education.

With major support from the Ford Foundation, the Committee sponsors annual research competitions, provides post-doctoral fellowships, sponsors research workshops and public policy seminars, and has established two working groups. Recently funded research focuses on changing family structures, housing, ethnic identity, labor market participation, literacy and education, immigration, political participation, and persistent poverty/income equities.

The four major collaborating Latino research centers are:

- Centro de Estudios Puertorriquenos, Hunter College, City University of New York.
- Center for Mexican American Studies, University of Texas at Austin.
- Chicano Studies Research Center, University of California, Los Angeles.
- Center for Chicano Research, Stanford University.

Contact: Racquel Rivera, IUP/SSRC, Social Science Research Council, 605 Third Avenue, New York, NY 10158. (212)661-0280.

JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES

The Joint Center for Political and Economic Studies is a nonpartisan, nonprofit institution founded in 1970. The Joint Center contributes to the national interest by helping black Americans participate fully and effectively in the political and economic life of our society.

The Center uses research and information dissemination to accomplish three objectives: to improve the socioeconomic status of black Americans; to increase their influence in the political and public policy arenas; and to facilitate the building of coalitions across racial lines. The Joint Center has an extensive program of publications and a monthly newsletter.

Contact: Eddie Williams, President, Joint Center for Political and Economic Studies, 1301 Pennsylvania Avenue NW, Suite 400, Washington, DC 20004. (202)626-3500.

NATIONAL BLACK CHILD DEVELOPMENT INSTITUTE

Founded in 1970, the National Black Child Development Institute (NBCDI) is the first national organization of its kind. NBCDI is dedicated to improving the quality of life for black children and families. NBCDI focuses primarily on issues and services that fall within four major areas: health, child welfare, education, and child care/early childhood education. NBCDI monitors public policy issues that affect black children and educates the public by publishing periodic reports and two quarterly newsletters, as well as convening an annual conference and other public education forums.

The NBCDI affiliate network, comprised of hardworking volunteers from all walks of life, provides direct services to black children and youth such as conducting tutorial programs, helping homeless children find adoptive homes, and sponsoring culturally enriching programs and activities.

Contact: National Black Child Development Institute, 1463 Rhode Island Avenue NW, Washington, DC 20005. (202)387-1281.

NATIONAL CENTER FOR CHILDREN IN POVERTY

The goals of the National Center for Children in Poverty are to develop and strengthen programs and policies for children under six who live in poverty, and to heighten awareness of the needs and opportunities for early intervention for poor families and their children in the areas of health, education, and social support.

The Center's role is to complement and support the work of professionals on all fronts—health and social service specialists, educators, advocates, and those in the private and public sectors—drawing on their collective expertise to analyze the impact of policy decisions on programs; to disseminate those policies and programs that have proved successful; and to design more effective ways to deliver services to poor families and children.

The National Center for Children in Poverty was established in 1989 with the support of the Ford Foundation and the Carnegie Corporation of New York. The Center is affiliated with Columbia University's School of Public Health.

Contact: Judith Jones, Director, National Center for Children in Poverty, Columbia University, 154 Haven Avenue, 3rd Floor, New York, NY 11032. (212)927-8793.

NATIONAL COMMISSION ON AMERICA'S URBAN FAMILIES

The presidentially appointed Commission is responsible for examining the current condition of urban families, as well as providing recommendations to the president as to how government programs, as well as the private sector can better reflect the needs of the nation's children and families. They are charged with developing specific strategies for strengthening and enhancing America's urban families.

President Bush established the Commission by Executive Order on March 12, 1992. On January 14, 1993, the Commission presented its final report to the President. In the report the Commission identifies five major objectives, each with guiding principles. In support of these objectives, more than 75 recommendations address topics such as greater tax fairness for families, redesign of the welfare system, reorientation of public housing regulations, and strengthening of family preservation services.

Contact: John Ashcroft, Chairman, National Commission on America's Urban Families, 200 Independence Avenue SW, Washington, DC 20201. (202)245-6462.

ROCKEFELLER FOUNDATION'S COMMUNITY PLANNING AND ACTION PROGRAM

In 1987, the Foundation began to support efforts that would improve the life chances of an increasingly visible subgroup of urban minorities who are—or are at risk of becoming—persistently poor. To understand the changing nature of poverty in America, translate that understanding into policy, and identify and overcome political and institutional barriers to effective action, the Foundation supports four sets of programs.

- To build a better understanding of persistent poverty in America’s cities through research and policy analysis.
- To stimulate and inform community planning and action for alleviating poverty.
- To strengthen basic skills programs and family support strategies to improve the economic prospects of parents and children.
- To expand the investment by community development corporations in inner-city neighborhoods.

The community planning and action projects in six cities are mobilizing community leaders to build a metropolitan consensus to eliminate the conditions leading to persistent urban poverty. A lead agency in each city has designed an approach appropriate to the dynamics and circumstances of its community. Each project is gathering information, creating mechanisms for collaboration and capacity building, and serving as an advocate for policies and programs to reduce persistent poverty, especially in education, job training, early childhood and youth development, and maternal and child health.

The six city projects are:

- ***Boston, The Boston Foundation.*** Contact: Charlotte Kahn, Director, The Boston Foundation, One Boston Place, Boston, MA 02108. (617)723-7415.
- ***Cleveland, The Center for Urban Poverty and Social Change and the Cleveland Foundation Commission on Poverty.*** (See page 28 above.) Contact: Claudia Coulton, Center Director, Center for Urban Poverty and Social Change, Mandel School of Applied Social Science, Case Western Reserve University, 11235 Bellflower Road, Cleveland, OH 44106. (216)368-2304. Or Art Naparstek, Director, Cleveland Foundation Commission of Poverty, Mandel School of Applied Social Science, (216)368-3023.
- ***Denver, The Piton Foundation.*** Contact: Elaine Gantz Berman or Grant Jones, Co-Directors, The Piton Foundation Poverty Project, The Piton Foundation, 511 16th Street, Suite 700, Denver, CO 80204. (303)825-6246.
- ***Oakland, The Urban Strategies Council.*** Contact: Angela Glover Blackwell, Executive Director, Urban Strategies Council, 200 Thirteenth Street, Suite 200, Oakland, CA 94612. (510)893-2404.
- ***San Antonio, The Partnership for Hope.*** Contact: Choco Meza, Executive Director, Partnership for Hope, 3737 Broadway, Suite 100, San Antonio, TX 78209. (512)862-4673.
- ***Washington, DC, the Greater Washington Research Center’s Committee on Strategies to Reduce Chronic Poverty.*** Contact: Carrie L. Thornhill, President, Committee on Strategies to Reduce Chronic Poverty, Greater Washington Research Center, 1717 Massachusetts Avenue NW, Suite 403, Washington, DC 20036-2076. (202)387-0900.

Contact: Sheri Dunn, Urban Strategies Council, #200 Thornton House, 672 13th Street, Oakland, CA 94612. (510)893-2404.

SOCIAL SCIENCE RESEARCH COUNCIL (SSRC)

The Social Science Research Council (SSRC) is an independent, nongovernmental, not-for-profit, international association devoted to the advancement of interdisciplinary research in the social sciences. It does this through a wide variety of interdisciplinary workshops and conferences, fellowships and grants, summer training institutes, scholarly exchanges, and publications.

In selecting problems for attention, the Council gives priority to those that seem likely to gain from the contributions of several disciplines, that show promise of responding to collaborative effort and discussion, and that might profit from a comparative and international approach.

SSRC founded the Committee for Research on the Urban Underclass and Persistent Poverty. With core and specific support from the Rockefeller, Ford, Smith Richardson, Russell Sage, and Guggenheim Foundations, and the Foundation for Child Development, the committee has created four working groups to carry out research on selected topics. These working groups are focusing on the following topics:

- Labor Market Research
- Social Ecology of Crime and Drugs in the Inner City
- Communities and Neighborhoods, Family Processes, and Individual Development
- The “Underclass” Debate and the Transformation of Urban America: An Historical Perspective (A book volume with this title is under preparation.)

The Committee has sponsored three large conferences, *The Conference on the Truly Disadvantaged*, October 1989; *The Chicago Urban Poverty and Family Life Conference*, October 1991; and *Perspectives from the Social Sciences*, June 1992.

Contact: Alice O’Connor or Martha Gephart, Social Science Research Council, 605 Third Avenue, New York, NY 10158. (212)661-0280.

THE URBAN INSTITUTE

The Urban Institute is a private, nonprofit policy and research organization established in Washington, DC in 1968. Its staff investigates the social and economic problems confronting the nation, and public and private policies and programs designed to alleviate them. Originally focusing on urban problems, the Institute’s research agenda has widened to include the study of national issues that reflect responses to, and at times anticipate, the changing needs of society.

The Institute regularly provides policymakers with the data base and analysis for developing responses to the plight of the disadvantaged. The groups considered most vulnerable have changed over time, as have the mechanisms for dealing with their needs. By predicting these demographic changes, refining knowledge of the characteristics of those in need, and analyzing the probable effects of policies to meet those needs, the Institute has compiled a long record of clarifying policy alternatives for helping the dependent among us, particularly the urban poor.

For example, the Institute examined the rapid rise in welfare caseloads during the 1960’s, an examination that revealed that the rise was caused by increased program participation by families already eligible, not, as had been assumed, by an increase in the population needing such assistance. Researchers were the first to document the extent and characteristics of the homeless population in the early 1980’s.

Among the poverty issues Institute staff have examined in recent decades are: the rapid rise in welfare caseloads during the 1960's; the public and personal costs of adolescent childbearing; the extent and characteristics of the homeless population; and evaluation of the two model work-welfare programs.

Recently, the Institute has defined and measured the underclass and its growth over time, evaluated strategies to alleviate poverty, and developed new approaches to nurture young black males.

In response to the recent events in Los Angeles, researchers have been called on repeatedly to inform and guide public responses. To assist with these efforts, the Institute has just completed a report that defines the characteristics of the urban "crisis" today, distills a series of guidelines for constructing a programmatic agenda, and discusses promising strategies that deserve serious policy considerations. The report is titled, "*Confronting The Nation's Urban Crises: From Watts (1965) to South Central Los Angeles (1992) What Have We Learned? What Can We Do?*"

Contact: Susan Brown, Public Affairs Office, The Urban Institute, 2100 M Street NW, Washington, DC 20037. (202)833-7200.

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Table I

Poverty Status in 1990 of Individuals, by Race

	ALL RACES		WHITE		BLACK		*HISPANIC ORIGIN	
	Total (in millions)	Below poverty level Number Percent of total						
Individuals of All Ages	248.6	33.6 13.5	208.6	22.3 10.7	30.8	9.8 31.9	21.4	6.0 28.1
Individuals Under 18	65.0	13.4 20.6	51.9	8.2 15.9	10.2	4.6 44.8	7.5	2.9 38.4

*Persons of Hispanic origin may be of any race. (They may be double counted, as they can be included in either the white or black categories.)

Numbers are in millions. The numbers have been rounded to the nearest tenth and, as a result, the numbers in the distribution do not always add to the exact total.

SOURCE: Bureau of the Census, Current Population Reports, Consumer Income, Series P-60, No. 175, *Poverty in the United States: 1990*, Issued August 1991.

Prepared by Todd Owen, Family Impact Seminar

Table II

Poverty Status in 1990 of Families with Children Under 18, by Race, Family Status, and Residence

	ALL RACES			WHITE			BLACK			*HISPANIC ORIGIN		
	Total (in millions)	Below poverty level		Total (in millions)	Below poverty level		Total (in millions)	Below poverty level		Total (in millions)	Below poverty level	
		Number	Percent of total									
Families with Related Children Under 18												
Total	34.5	5.7	16.4	28.1	3.6	12.6	5.1	1.9	37.2	3.5	1.1	31.0
Metropolitan	26.6	4.2	15.7	21.2	2.5	11.7	4.3	1.5	35.5	3.2	1.0	31.0
Central City	10.1	2.5	25.0	6.7	1.2	18.5	2.9	1.2	40.6	1.8	0.7	37.1
Not Central City	16.5	1.7	10.0	14.5	1.2	8.6	1.4	0.3	25.0	1.4	0.3	23.4
Not Metropolitan	7.9	1.5	18.9	6.9	1.1	15.4	0.8	0.4	46.1	0.3	0.1	31.1
Married-Couple Families with Related Children Under 18												
Total	25.4	2.0	7.8	22.3	1.6	7.1	2.1	0.30	14.3	2.4	0.50	20.8
Metropolitan	19.4	1.3	6.8	16.7	1.0	6.2	1.7	0.20	11.4	2.2	0.50	20.4
Central City	6.3	0.7	10.8	4.9	0.5	9.5	1.0	0.20	15.7	1.1	0.30	23.8
Not Central City	13.1	0.6	4.9	11.8	0.6	4.8	0.7	0.04	5.50	1.1	0.20	16.9
Not Metropolitan	6.1	0.7	11.0	5.6	0.5	9.7	0.4	0.10	28.4	0.2	0.05	25.2
Families with Female Householder, No Spouse Present, with Related Children Under 18												
Total	7.7	3.4	44.5	4.8	1.8	37.9	2.7	1.5	56.1	0.90	0.50	58.2
Metropolitan	6.2	2.7	43.1	3.7	1.3	35.8	2.3	1.2	55.1	0.90	0.50	58.3
Central City	3.4	1.7	51.4	1.6	0.7	45.3	1.7	1.0	57.2	0.60	0.40	63.6
Not Central City	2.8	0.9	33.0	2.1	0.6	28.7	0.6	0.3	49.1	0.30	0.10	48.0
Not Metropolitan	1.5	0.8	50.0	1.1	0.5	45.2	0.4	0.3	61.3	0.05	0.03	N/A

*Persons of Hispanic origin may be of any race. (They may be double counted, as they can be included in either the white or black categories.) Numbers are in millions. The numbers have been rounded to the nearest tenth and, as a result, the numbers in the distribution do not always add to the exact total. SOURCE: Bureau of the Census, Current Population Reports, Consumer Income, Series P-60, No. 175, *Poverty in the United States: 1990*, Issued August 1991.

Prepared by Todd Owen, Family Impact Seminar

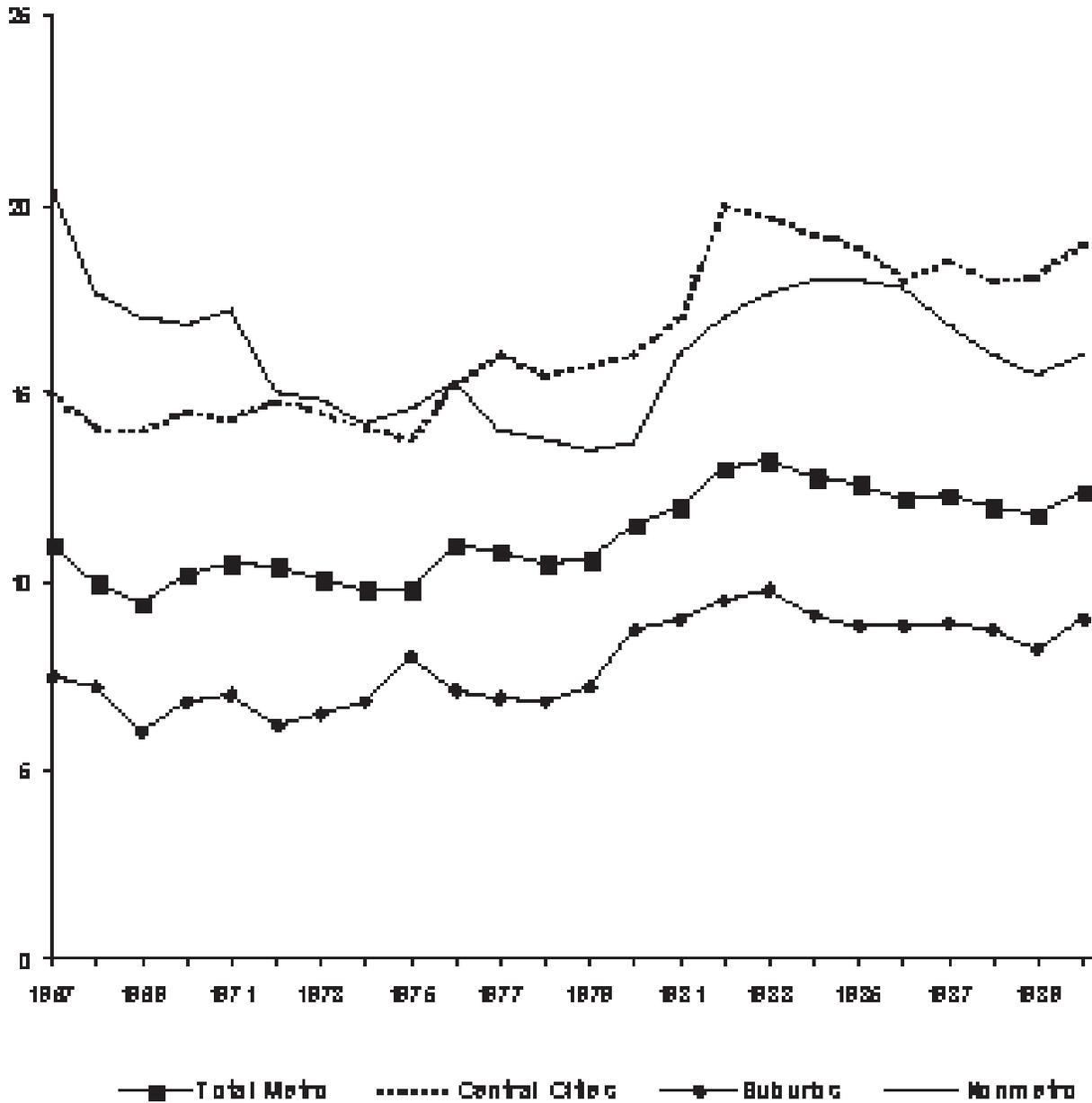
Table III***Poverty Rates for Families and Persons, U.S., 1990***

	<i>Number</i>	<i>Rate</i>
All Families In United States	7.1 million	10.7%
All Families with Children Under 18 Years	5.7 million	16.4%
All Persons In United States	33.6 million	13.5%
Persons in Families	25.2 million	12.0%
Persons In Female-Headed Families, No Husband	12.6 million	37.2%
Unrelated Individuals	7.4 million	20.7%
All Children Under 18 Years	13.4 million	20.6%
All Persons 18 to 64 Years	16.5 million	10.7%
All Persons 65 Years and Over	3.7 million	12.2%

Prepared by Child Trends, Inc.

Figure I

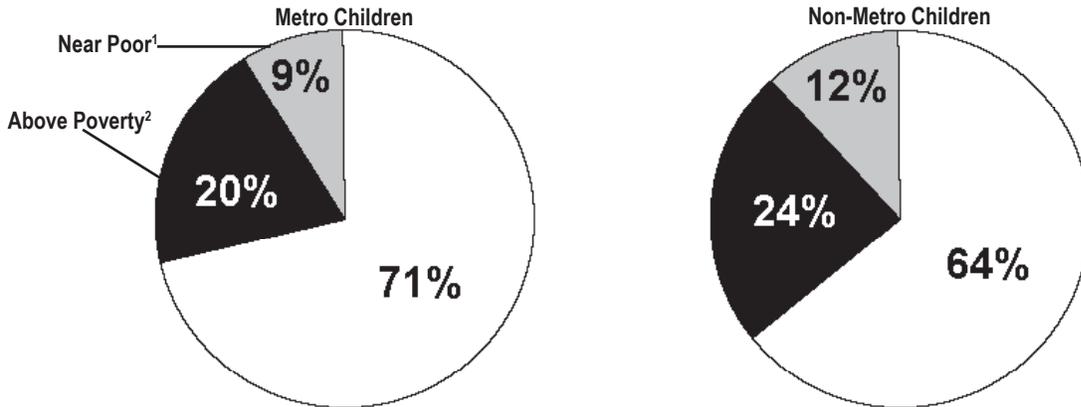
*Poverty Rates by Residence,
1967-1990*



Source: U.S. Census Bureau, Current Population Survey, various years.

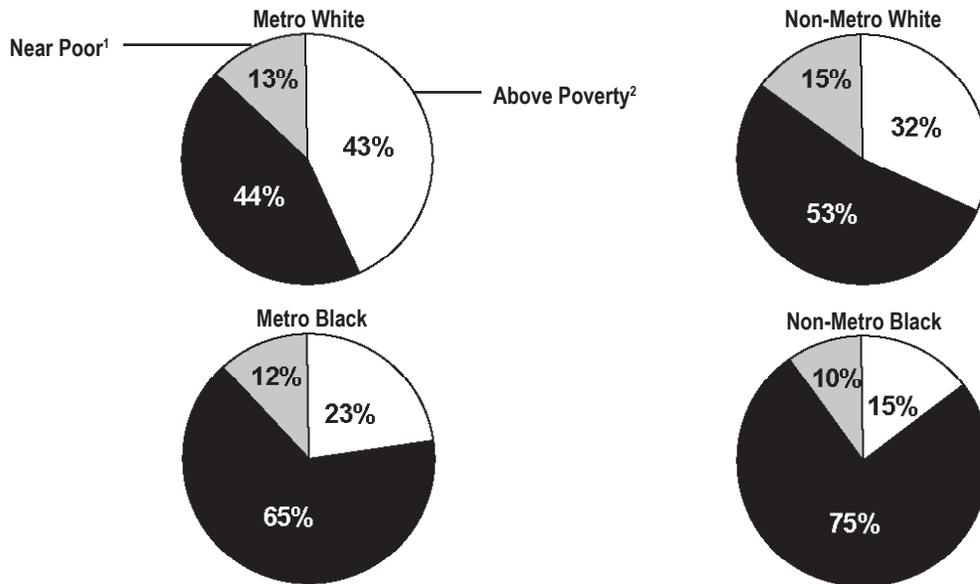
Figure 2

Poverty Status of U.S. Children, 1987



¹Incomes 100-149 percent of the poverty level
²Incomes at least 150 percent of the poverty level
 Source: March 1988 Current Population Survey, public use file.

Poverty Status of U.S. Children in Mother-Only Families, by Race and Residence, 1987



¹Incomes 100-149 percent of the poverty level
²Incomes at least 150 percent of the poverty level
 Source: March 1988 Current Population Survey, public use file.

Source: U.S. Department of Agriculture Economic Research Service. "The Economic Well-Being of Non-Metro Children." *Rural Development Research Report*, No. 82, March 1991 (p. 10, 14).

Figure 3

Figure 3.1 Poor Persons: Children and Elderly, 1939-1985

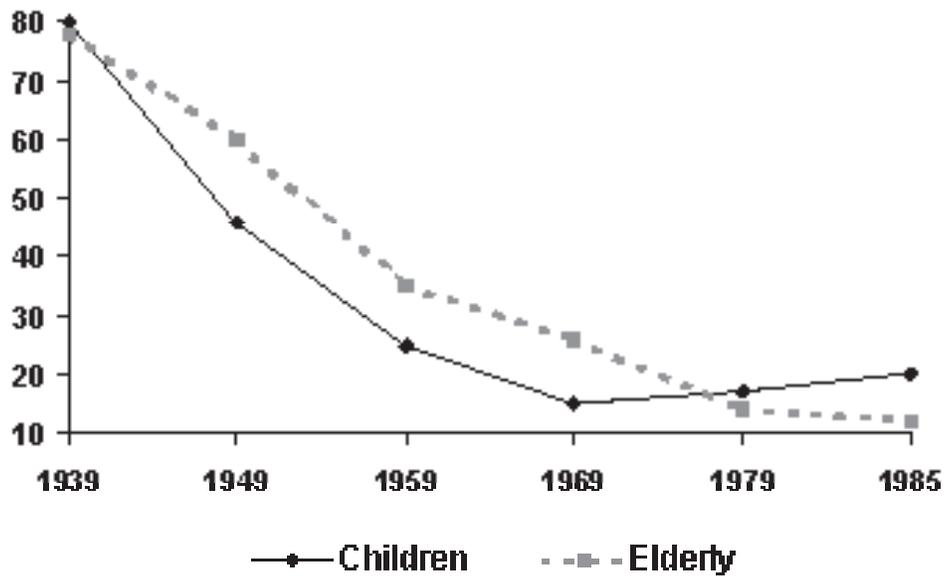
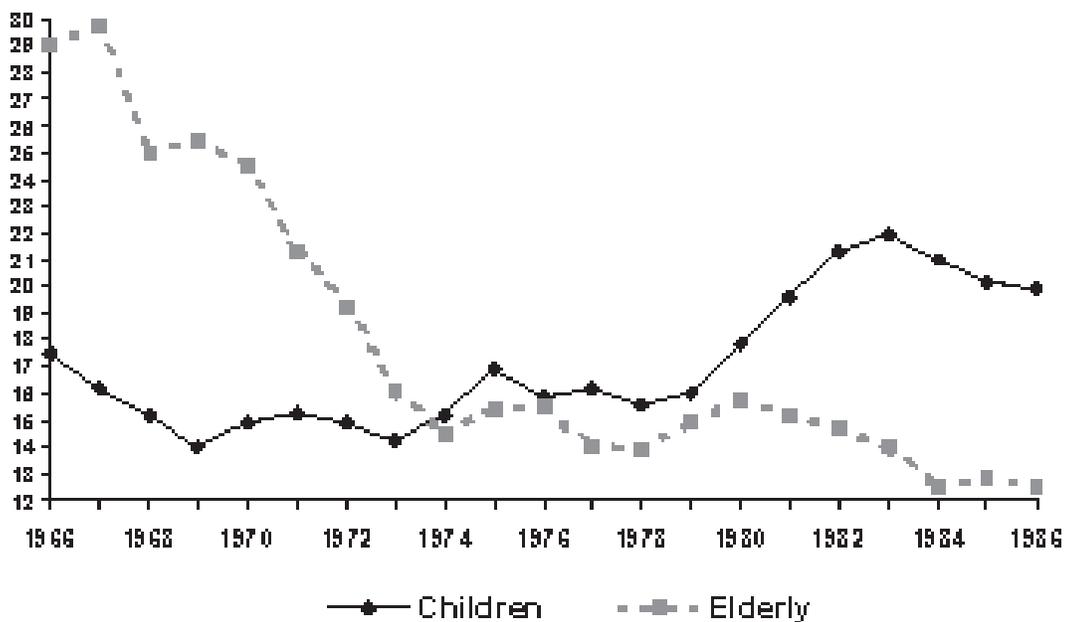


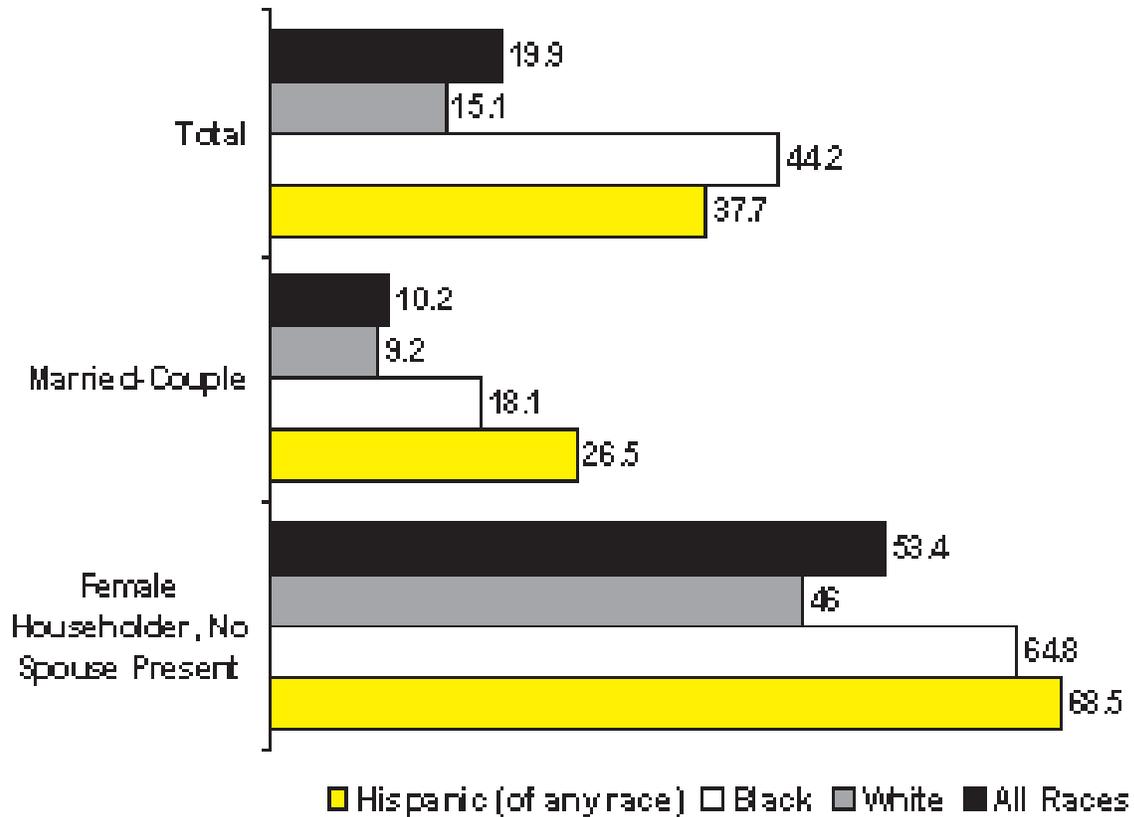
Figure 3.2 Poor Persons: Children and Elderly, 1966-1986



Source: Smolensky, E., Danziger, S., & Gottschalk, P. (1988). "The Declining Significance of Age in the United States: Trends in the Well-Being of Children and the Elderly Since 1939." Chapter 3 in *The Vulnerable*, edited by Palmer, J., Smeeding, T., & Torrey, B. Washington, DC: The Urban Institute.

Figure 4

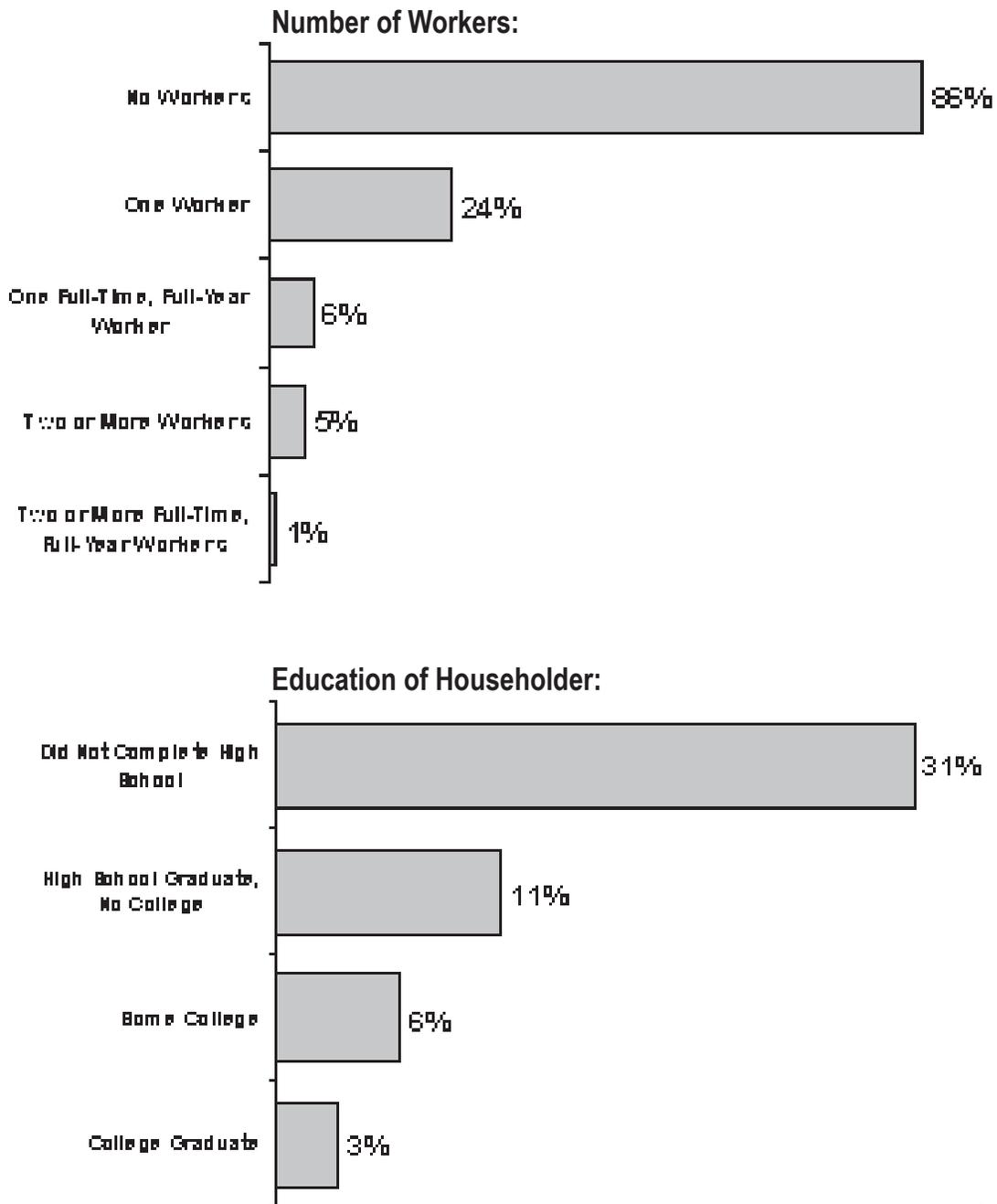
***Poverty Rates of Related Children Under 18 Years
by Family Type, Race, and Hispanic Origin: 1990***



Source: This figure will be included in the forthcoming edition of *Changes in American Family Life*. Current Population Reports, Special Studies Series P-23. To be published by the U.S. Department of Commerce, Bureau of the Census.

Figure 5

**Poverty Rates for Families with Children
United States, 1990**



Prepared by Child Trends, Inc.