benefits. There is evidence for the belief that most poor persons would prefer work and independence to idleness and dependency. But "prefer" to work is a long distance from actually working.

Those who have children incur an obligation to work in order to support their children. This duty is not solely to their children, but also to themselves. It is also a duty toward society at large, the duty of a citizen capable of independence.

Yet during the years 1960-1972, when unemployment rates were dropping from 6 to 3 percent, large increases in single-parent households, teen-age pregnancies, and welfare caseloads occurred.[3] During the 1970s and 1980s, large numbers of immigrants (larger than in any except two previous decades in our history) were attracted to the United States by the broad availability of entry-level jobs and business opportunities. Further, the much-discussed transition to a service economy has generated a broad array of entry-level, low-skilled jobs. Yet during the past two decades black male labor force participation rates have been going down and unemployment rates up.

Researchers have also learned that youngsters from single-parent households who are on welfare and living in public housing are considerably less likely to complete high school; to learn reading, writing, and arithmetic; to develop skills that would make them employable; to form families; to remain employed; and to support the children

they have. With higher frequency than others, they turn to "hustling" and crime and out-of-wedlock children. They are more often financially dependent on others, very often on the government.

There is not sufficient evidence that welfare causes these dysfunctions. But there is overwhelming evidence that welfare as now constituted does not offer remedies. Thus, we are obliged to conclude that under current conditions: (1) economic growth is not enough; (2) opportunity is not enough; and (3) welfare as now constituted is not enough.

That is why social inventiveness is needed, if these vulnerable and needy ones are to be helped. In the circumstances, "being helped" means being taught the full range of competences necessary for fulfilling their duties to themselves, to their loved ones, and to their fellow citizens. The elements necessary for attacking dependency have emerged from lessons learned the hard way.

More Evidence of Consensus: In the States and in Four Welfare Reports

Our Working Seminar has had the advantage of studying four other major reports on welfare reform issued late in 1986:

- Investing in Poor Families and Their Children: A Matter of Commitment, issued by the American Public Welfare Association and the National Council of State Human Service Administrators

° Ladders Out of Poverty, a report of the Project on the Welfare of Families, under the cochairmanship of Governor Bruce Babbitt of Arizona and Arthur Flemming

° A New Social Contract: Rethinking the Nature and Purpose of Public Assistance, a report of the Task Force on Poverty and Welfare submitted to Governor Mario M. Cuomo of New York

° Up from Dependency: A New National Public Assistance Strategy, issued by the White House Working Group on Domestic Policy Council, Low Income Opportunity Working Group

These four reports reinforce the original conviction of our Working Seminar that a powerful new consensus has taken shape. In the general thrust of all four reports we find rather astonishing overlaps. All take pains to disaggregate the poor. All praise successes achieved during the past twenty-five years, and all confront the same evidence of serious deterioration among particular populations. All give central importance to the family. All focus upon dependency as a new and primary concern. All stress that benefits to the able must be correlated with obligations to work. All aim at strengthening personal responsibility, self-reliance, and independence. All distinguish between AFDC as a temporary source of support and AFDC as a form of

long-term dependency. All encourage the federal government to allow greater flexibility for experimentation by states and localities.

There does not seem to be great disparity in the way these four reports describe the basic data or in the way in which they analyze existing problems or even in most of the general principles that they set forth for dealing with them. There are substantial overlaps even among the programmatic recommendations they make.

Naturally, each report sets forth distinctive proposals that the others ignore or reject (see table 5-1). Each employs some concepts or devises some strategies that are unique. Beneath the surface, each represents a different political agenda and a different practical approach. These differences, of course, are the stuff of politics and of great contestation. Nonetheless, overall, we have been amazed by the breadth and depth of the consensus among these four reports. Concerning particulars, of course, there remains plenty of room for argument. Still, moderation is the mode, incrementalism is the method, and modesty in promises is the tone of all four reports.

Perhaps the single largest difference in these reports concerns their diverse expectations of the federal government. This difference should not be exaggerated.[4] All four reports want more flexibility for state and local governments. All see a vast array of fresh energies, experiments, and new ideas springing up in local contexts.

TABLE 5-1

BRIEF COMPARISON OF FOUR REPORTS

	APWA	Babbitt	Cuomo	White House
Summary goals and principles	Investment in children is the key. Each citizen is responsible for self-sufficiency. When poor prosper, we all prosper.	Critical interests: to strengthen the family, to enhance self-sufficiency, and to reduce poverty.	Welfare spending must be viewed as investment in the future productivity of the nation. Stresses reciprocal obligations.	We don't know enough about how to reverse dependency. Experiment widely at local level. Start a process of reform not a program of reform.
Economic growth	Not specifically mentioned.	Not specifically mentioned.	Macroeconomic policies encouraging growth essential. Likewise productive growth may depend on breaking up underclass.	Best antipoverty program in long run. Must foster enterprise. Still, 8 million jobs since '82 not enough. More than growth needed. Coming labor shortage should help poor.
Tax relief	Make the Earned Income Tax Credit (EITC) vary by family size	Expand the EITC, make variable by family size, index to ratio of median family income. Partial social security tax relief for poor.	Make EITC variable by family size. No poor household should have to pay state or local income tax.	Removal of poor from tax rolls in 1987 one of biggest assists to them in the 1980s. (Family report recommends adjusting EITC for family size.)
Federalism	State levels of need should vary according to local conditions. States should be given administrative flexibility. More federal funding.	Give states administrative flexibility. Mandate state benefit level minimums. Expand federal funding. States pick up other costs as trade.	Tacitly accepts state pre-eminence. Calls for state experimentation. More federal funding, grants, mandated benefit minimums.	Maximum flexibility to states. Encourage widespread experiments. Retain current funding. Some "cashing out." Federal government enforce due process, civil rights.
Health care	Retain Medicaid essentially as it is for now. (Further recommendations forthcoming.)	Make Medicaid available to all the poor right away.	Set up national health insurance scheme to include all the poor and "near poor."	No expansion. Continue current levels.
New welfare programs	Set up system to replace AFDC which would include all families with children, one- and two-parent alike.	Require all states to offer AFDC-UP for intact families. Expand the enrollment and payment levels of SSI.	Require all states to offer AFDC-UP. Expand the SSI program by liberalizing its disability definition and expanding coverage.	No new nationally mandated programs.
Minimum benefits	System replacing AFDC will be based on local costs of nationally mandated minimum consumption, that is, a national minimum benefit, though reflecting varying price levels.	Mandate a minimum benefit for AFDC and food stamps equal to 65%, then 70%, eventually 100% of poverty level.	Mandate AFDC and food stamp minimum of 67% of poverty level, rising to 100% over time.	No minimum benefit.

Table 5.1

(CONTINUED)

	APWA	Babbitt	Cuomo	White House
Services to children and families	Wide expansion of services, counseling, training, nutrition, health benefits, childcare, etc.	Wide expansion of services, counseling, training, nutrition, health benefits, childcare, etc.	Wide expansion of services, counseling, training, nutrition, health benefits, childcare, etc.	At discretion of local administrators, within current funding levels.
Teenage pregnancy	More of the conventional services and interventions. Require completion of education.	Much more of the conventional services and interventions, plus provide more youth employment.	Much more of the conventional services and interventions.	Consider role of welfare in fostering teen pregnancy.
Child support enforcement	Determine paternity swiftly and enforce support payment on absent parents.	Determine paternity swiftly and enforce support payment on absent parents.	State guarantees minimum child support benefits. Uniform awards schedule. Automatic wage withholding.	No mention.
Education	Strengthen public schools.	Strengthen elementary and secondary schools. Reduce high school dropout. Expand vocational education.	Mainly, greatly expand Headstart-type programs. Begin at ages 3-4. Also, improve inner-city schools. Improve adult education. Use anti-drop-out incentives.	Must improve education to create future opportunities.
Work	Mandate workfare. Include heavy training and services. All with children 3+ obligated. With younger children, part time. Federal government pays 75%.	Require workfare to the extent "consistent with family responsibilities." Services provided. "Provision" for a paid job. Private sector and regular public sector jobs preferred.	Mandate workfare. Include training and services. Parents with young children allowed but not required. Guaranteed subsidized job if unable to hold private job.	Requiring work at state level seems successful.
Paying for it	Phase new expenditures in gradually, over 10 years. There will be new costs for both federal government and states. View as an investment.	Tax income currently not subject to taxation. Cut nonwelfare programs to pay for substantial new costs.	Phase in gradually. As programs work, there may be savings. In the long run, competitiveness and justice require substantial new expenditures.	Hold spending constant at current level. Work for decrease in long run as programs work.
Making welfare programs transitional	Welfare should be disbursed in the context of "a 'discharge' plan aimed at eventual self-sufficiency and independence from the system."	Emphasis should shift from building welfare "safety net" to building "ladders" on which the poor can climb out of poverty and off government programs.	Open-ended, long-term welfare should end for the able-bodied, to be replaced by a time limited (perhaps 3 years maximum) transitional program, followed by a subsidized work-for-benefits program for those who have not gotten jobs by the end of the first stage.	"The true test of effectiveness of any governmental public assistance system should be measured by how many recipients become independent."

Moreover, none of the four recommends cuts in the annual levels of funding supplied by the federal government for welfare strategies. None calls for wholesale or comprehensive dismantling of existing programs, although all suggest letting many new experiments and new combinations of programs go forward.

Just the same, the White House Report does attack the centralizing administrative role played by the federal government, although not its funding role or its principle-setting role. By contrast, each of the other reports asks the federal government to set at least some new national standards--for example, a national minimum benefit level.

The White House Report rules out any new federal initiatives or new expenditures,[5] whereas each of the other three reports proposes at least some new federal expenditures and initiatives, sometimes of more than a modest or incremental sort. Here again, though, differences should not be exaggerated. In the current era of budget deficits, all four reports speak either of "revenue neutrality" (the White House) or of modest new expenditures (the other three reports), usually described as "investments" to be repaid by future savings. At those places where some of the reports call for expenditures that, in total, would be rather large, they at least have the integrity to call for tax increases or for compensating cuts in other, usually unnamed, parts of the federal budget.

There is a temptation to ascribe differences concerning the role of the federal government to ideology (or to principle, depending on whether one is describing the other's point of view or one's own). Consider these two rival and traditional images: a strong, active, caring federal government, on the one side, vs. an other-empowering, self-limiting, economy-liberating federal government, on the other. These are classic partisan differences. In the current debate on welfare, however, these two tendencies do not diverge extremely. Both sides speak of "partnership" between the federal government and the states and localities. Both sides recognize that the federal government has both the larger revenue base and the chief funding responsibility. Where, then, does the current disagreement lie?

The major point of dispute concerns where to establish certain standards and draw up regulations. The White House Report argues that it is counterproductive to do this from afar, centrally, when local communities diagnosing local needs with firsthand knowledge of their own people can make more realistic determinations. At least in certain matters if not all, the other reports would have the federal government establish national standards, national minimums, or national requirements.

Another difference is that some stress current ignorance, while others stress trying harder with existing programs. The White House Report tends to emphasize how much is not known about how to reduce dependency and,

therefore, encourages many small experiments that might sort out what works from what does not work, before embroiling millions of citizens in national programs. The other reports tend to recommend enlargements of existing programs, with some modifications, in a spirit of rather greater confidence; yet, they too encourage experimentation and express their hopes with considerable caution. All have been chastened by the experience of the past twenty years, some more than others.

In an important sense, such disagreements are in large measure pragmatic. In principle, the White House Report recognizes the obligation of the federal government to impose clear national criteria: it states its own criteria at the beginning. In principle, the other reports recognize the need of states and localities for more discretion than at present, in order to take account of unique local circumstances. (The ethnic composition and urban concentrations for the poor in New York state, for example, are atypical of the nation as a whole, as the New York Report straightforwardly details.)

Still, each side has powerful reasons for arguing in particular cases whether there should be, or should not be, new national standards, national minimums, or national requirements. These reasons are usually practical. On such matters, persons of good will may often disagree.

This is not to deny that general ideological orientations and principled positions do play a role in such

practical disagreements. Of course they do. At the same time, the White House Report says that the criterion by which its proposals should be judged, some five years or so hence, is whether they have actually helped to reduce dependency. An analogous criterion is also stated or suggested by each of the other reports.

Thus, our Working Seminar persists in its belief that current disagreements actually fall far more clearly in the domain of practicality than in the domain of principle or ideology. This observation may not reduce the fury of argument. But it should help to focus debate upon the one criterion of most benefit to the poor: which alternative is more likely to work?

There is another major difference. More resolutely than the other three reports, the White House Report is willing to continue welfare funding at current levels but not much higher. The other three reports are cautious in making new claims upon the federal budget in the light of current budget deficits, but they do make them, calling either for tax increases or for cuts in spending elsewhere. Two reasons are given for these requests for additional spending. First is the belief that more preschool education, more child care, more jobtraining, and the like will produce results and are good investments. Second is the fallback belief that, even if such programs do not work out as predicted, such interventions must at least be tried.

The authors of the White House Report do not share the first belief, because of past experience. Regarding the second belief, they hold that new experiments should, indeed, be tried by the states and localities--and then, if successful, be imitated elsewhere. The argument, to repeat it, is that we do not yet know enough about what will actually work and should not venture vast experiments until some of the various models already being tested locally bear fruit. When that happens, the expansion of successful programs can then be paid for out of savings that accrue, as citizens cease being dependent, become productive, and pay taxes--and thus, in their turn, help to support others less fortunate than they. It is in the nature of experiments that some, even many, will fail; wisdom therefore suggests moving with surer, rather than with lesser, knowledge.

A broad consensus also seems to be forming among state welfare administrators concerning the elements of successful welfare reform. The new strategy is a blend of conservative and liberal themes. It includes a new emphasis on training and other services for poor persons, and it is also job-focused, taking as its premise the idea that all able-bodied persons ought to work. It is obligational, requiring aid recipients to meet certain responsibilities in return for their benefits. And it is "devolutional," relying heavily on state and local initiative.

Since 1981, the states have taken up this new challenge with vigor and in advance of congressional initiatives. Beginning with provisions in that year's budget act that authorized experiments in "community work experience programs," more than two-thirds of the states have initiated efforts along the lines sketched out above. Among them are California, Illinois, Massachusetts, West Virginia, Oklahoma, New Jersey, and Arkansas.

The California scheme appears to be the most highly developed. An agreement between the Republican governor and Democrats in the legislature led to a fundamental restructuring of the state's welfare system, shifting its orientation from a payment and socialservice system to one, in the words of Richard Nathan, "strongly oriented towards training, education, job placement and work--including in some cases the assignment of welfare family heads to obligatory work."[6]

These state efforts are very young. They must be considered experimental. Still, early research suggests that such programs may result in moderate but consistent increases in earnings for poor people and decreases in welfare payments. More significantly, proponents think, these initiatives show promise of "detoxifying" welfare both as an influence on personal habits and as a political issue.

This new resourcefulness in the states is not limited to the welfare arena; a broadly based school reform effort has also been spreading across the country. Since 1983

nearly every state has enacted at least some significant changes in its educational system under the influence of the movement for "educational excellence." States such as Tennessee, Florida, New Jersey, Missouri, Illinois, Mississippi, North Carolina, and California have notable programs. A wide range of tactics has been employed, including mechanisms to sort and grade teachers on merit and improve their pay, curriculum improvement, stiffer graduation requirements, remedial programs, recognition of high achievers and special classes for them, the establishment of specialized high schools, better mechanisms for educational financing, plans to integrate local businesses with school support, longer school days and years, and, in a few states, policies that allow poorly functioning school districts to be declared "bankrupt."

These policies are too new to be definitively appraised. Broad agreement, however, has been achieved concerning goals and general strategies. Taken together, these efforts--almost entirely stateinitiated--constitute what P. Michael Timpane, president of the Teachers College at Columbia University, has called "a veritable revolution in elementary and secondary education policy."[7] Significantly, many of these plans have taken special pains to assist schools in those high-poverty areas where the children of the most vulnerable are often concentrated.

In summary, the members of the Working Seminar have been struck by the way in which the ideological dimensions of the current debate concerning family and welfare have been diminished. The pragmatic question, What will work? has rapidly gained ground.

There is now unanimity that dependency must be reduced. The one remaining question is how to do so. In turning to that decisive question, the Working Seminar is unanimous in recommending a pragmatic rather than an ideological approach. Within our seminar, although still in much disagreement, we have benefited greatly from listening to each other. We suspect that all citizens might also benefit by hearing out the arguments of those with whom they disagree.

Where Do We Go from Here?

In principle, programs are already in place for ending poverty completely among the elderly. To make certain that all the elderly are above the poverty line is already the express will of the people. Counting noncash benefits, by some measures the poverty rate for the elderly is down to 3 percent. Still, there are some who may be isolated, who may not know English, or who for other reasons may not be receiving benefits that the nation has intended for their relief.[8] Similarly, too, there is an express national will concerning the physically or mentally disabled. On these matters, there is little argument.

The low income of poor nonelderly singles, about 4 million strong, is also in principle soluble in a straightforward fashion. A full-time job at the minimum wage produces an income above the poverty line (approximately $5,500) for a single person. That some proportion of singles has missed out in developing the habits, attitudes, and aptitudes necessary to their own maintenance does not exclude them from compassionate attention; yet their own obligations to themselves and to the public cannot be passed over. Able persons have a responsibility to prepare themselves for, to find, and to keep jobs sufficient to their needs. About one-third of all such singles are between the ages of eighteen and thirty-four. Far from being supported by others, they should be coming to the support of those less able to care for themselves.

Most of the poor, we have seen, live in families. For childless couples, including those whose children are grown and gone, the poverty line is approximately $7,000 a year--not far above the income from one full-time job at the minimum wage. Two adults sound of mind and body ought to be able to support themselves at such a level. For able parents with children, about two-thirds of the poor, our survey of the existing statistics suggests five different categories: (1) those who, although technically below the poverty line, live where and as they do voluntarily, are functioning well, and give evidence of high morale; (2) those married-couple families with children that two

full-time jobs at the minimum wage would still not bring over the poverty line; (3) those female heads of families who through a change in marital status are temporarily thrown below the poverty line, but whose maturity, acquired skills, and habits have them poised for self-reliance, as soon as they overcome the sudden, temporary difficulties in which they find themselves; (4) those female heads of families who over long periods are intermittently but frequently dependent upon welfare; and (5) those very young female heads of families (teen-agers or barely more) who are at the beginning of potentially frequent spells on welfare.

Those in the first category are voluntarily poor and, as such, are not of immediate concern to public policy. Those in the second category, husband-wife couples who work fulltime and still fail to lift their families above the poverty line, are nonetheless in a better position to lift their children and themselves out of poverty than families with one or no income earners. How to help working married-couple families is not, however, self-evident. The negative income tax, for example, had intuitive appeal to many analysts from several different philosophical camps, until large-scale experiments with income supports revealed undesirable consequences, not least for family stability and increased welfare burdens. On the hopeful side, the elimination of federal income tax burdens embodied in the tax law of 1986 and the already scheduled raising of tax exemptions for dependents, may, in combination, significantly improve

the condition of two-earner couples, and an analogous lifting of state and local tax burdens would further help.

Concerning female heads of families who need temporary help in bridging the sudden income shortfall that sometimes accompanies a change in marital status, there is virtually universal consensus that temporary help under Aid for Families with Dependent Children is in order. To be sure, AFDC was first designed for widows; but nowadays divorce and separation are far more common reasons for financial distress among mothers, who more often than not in such cases retain custody of their children. Undoubtedly, the primary responsibility for income support to the children remains with the children's father, and much more needs to be done by way of changes in law and legal practice to hold fathers responsible for income support until the children are grown. When necessary, nonetheless, for mothers of the maturity, education, and skills described, there is a clear warrant for temporary public assistance.

Regarding female heads of families who have been dependent upon welfare intermittently for many years, two dangers have become apparent. First, long-term dependency tends to become a component of further personal decisions; second, habitual dependency tends to have harmful effects upon both the children of recipients and their own self-esteem. Most experts have a strong feeling that children ought not to be penalized by sanctions imposed upon their mothers (and, if their identity is known, as is almost

always the case, upon their fathers). Most observers are also aware, however, that children are not helped by remaining in the care of mothers whose own habits are not responsible.

In such matters, public policy experts wish they had the wisdom of Solomon. Failing that, many recognize that the incentives built into current law and practice are not now reinforcing a sense of responsibility and obligation. Therefore, an emerging consensus holds that such benefits must be limited in duration, and, second, that in exchange for benefits received such mothers ought to work, perhaps after receiving time-limited job training.

There is a further consensus that the isolation in which such women often live ought to be broken, preferably by private social or religious agencies that give instructions in child care, in self-help, and in preparation for employment. Further, some experts believe that some of the incentives in current programs, far from facilitating marriage or remarriage, make the latter more difficult. To reverse these trends, more needs to be done to bring about conditions in which marriage or remarriage becomes as highly probable among the poor as among the nonpoor, on the grounds that the two-earner household is far more likely to exit from poverty.

There is considerable debate about how old the children of welfare mothers ought to be before an obligation to earn income through work outside the home is legally imposed.

This debate has been somewhat recast in recent years because so many nonpoor mothers with children under three years of age are now employed. Thus, the current consensus has moved rather decisively in the direction of lowering the age of youngest children at which welfare mothers would be required to work or to enroll in limited-duration training for employment.

Among other kinds of work for which such mothers can be trained (which would in turn assist them in bringing up their own children) are child care and preschool education. In most cities, where female heads of families tend to be concentrated, hotels and other service establishments have many needs for entry-level employees; and many also seek reliable long-term employees for positions of responsibility. Since there may be a tendency for experts to think of middle-class rather than of working-class jobs, even though the latter may pay as well and offer greater long-term possibilities, many training programs seem to be aimed at factory or office jobs, while overlooking the opportunities that immigrants find so helpful in gaining a foothold.

Concerning the fifth category above, female heads of families who are teen-agers or barely more, especially those who have borne children out of wedlock, public policy faces three distinct tasks. The first is to reduce the incidence of behaviors that lead to long-term dependency. The second is to intervene early enough with young mothers to help them exit from dependency quickly and later stay away from it.

The third is to look to the well-being of their children, for whom some are ill-equipped to give proper care.

Since in preceding generations there were lower proportions of children born out of wedlock, fewer teen-age pregnancies, and many fewer female-headed families, there is no cause to believe that current practices will always be with us. To grow to current proportions required many changes in ethos and public practices. But social change has by no means come to an end, and since human beings are not helpless before inexorable forces of either "progress" or "decline," a determined generation can substantially affect the directions of social change. Teen-age pregnancy and out-of-wedlock birth are behaviors of serious consequence to society. A culture that says so, loud and clear, is likely to witness a reduction in their frequencies, and for the major institutions of society not to say so loud and clear would be irresponsible.

Furthermore, teen-age pregnancy and out-of-wedlock births, some evidence shows, are frequently not "accidental" but desired.[9] Often such behavior appears to spring from feelings of low esteem, a need for self-importance and love, and a form of bonding with a partner, however impermanent, that goes beyond merely sexual expression. To that extent, teen-age pregnancy and out-of-wedlock births are moral statements and need to be addressed in moral terms. At the very least, the Working Seminar believes that the relatively recent high frequency of such behaviors deserves

dispassionate study, within appropriate moral as well as merely behavioral frameworks.

It also seems to be a less than adequate public policy, except in emergency cases, to allow teen-agers to establish separate households simply because of an out-of-wedlock birth. There are two reasons for this judgment. First, teen-agers are ill prepared to carry the weighty responsibilities of child care in isolation; second, "being married to welfare" should not be an available option for someone that young. A firm public message needs to be sent that public assistance in such cases can be only temporary and does not represent a long-term invitation to a dependent way of life. Setting up an independent household is the prerogative of those who have shown a capacity for maintaining their own independence.

There is a universal consensus that fathers bear responsibility for supporting their own children. From this it follows that both timely paternity findings and a body of legal practice effectively holding fathers responsible are very much in order.

Such reflections as these upon the data presented in part two illustrate the validity of the seven starting places made explicit in part one. First, we emphasized economic growth--the indispensable foundation for maintaining hope, for creating new jobs and opportunities, for

providing necessary revenues, and for inspiring cooperation and mutual assistance throughout the republic.

Second, we saw that only through disaggregating the poor could one begin to devise programs designed to help them in the multiple ways appropriate to their variety.

Third, the programs begun in the 1960s and before have had remarkable success among the elderly; yet, with regard to behavioral dependency, they have not supplied effective remedies. The new emphasis today is necessarily upon behavioral dependency, not least--but not solely--upon the underclass.

What is distinctive about behavioral dependency is its moral or attitudinal component, manifest in an inability to cope on the part of many able-bodied adults. Two of its major causes are, on the one hand, female-headed households and, on the other, nonwork. In these two areas in particular, little progress can be made in reducing dependency apart from a heightened sense of personal responsibility.

Yet moral behavior seldom springs from resolute individual will alone. It usually requires the social support of major institutions reinforcing what is good and noble in human behavior and blaming what is not. A weak social ethos increases the probability of personal failures. A strong ethos nourishes and strengthens individuals who act responsibly and blames those who do not--and thereby affects the probable distributions of each. Relatively recent changes in behavior regarding crime, work, education, sexual

PART THREE: RECOMMENDATIONS

behavior, marriage, and other facets of life are intertwined in the current profile of dependency. These changes in behavior do not spring from random individual choices alone; they appear to have been reinforced by massive changes in the nation's social ethos. To alter for the better the moral signals transmitted by our major institutions, both governmental and private, will also require massive efforts. For the moral signals its major institutions transmit, too, a free people is responsible.

In these matters, virtually every line of thought and every bit of evidence leads back to the family. Almost 80 percent of the poor live in families; 60 percent live in families with children under eighteen. To reduce dependency among able adults, especially those with children, is to help nurture models of self-reliance among those closest to the young, who are in turn the future carriers of our nation's destiny.

This nation depends in a critical way upon habits of self-reliance and cooperation. Should it cease to be a commonwealth of self-reliance, it would very soon cease to be "the home of the free." Thus, the new determination to reduce dependency offers an opportunity that must not be lost.

This is the context, and the spirit, in which we have formulated the following recommendations.

Part III: Recommendations

1. Despair and Hope.

At times, the problems of dependency seem overwhelming. When one thinks of all the cash shortfalls, educational needs, crime-wracked surroundings, disabilities, and health needs among the thirty-three million poor--and of the inadequate education, inability to cope, self-defeating behaviors, and dispiritedness that some of them experience--it sometimes seems that problems of dependency, going far beyond what can be solved with money, are impossibly immense.

In a different frame of mind, one recalls all the many citizens who have triumphed over circumstance; and one runs through one's mind the many resources American society already has in place for helping others to do the same. In such moments one may also have the vision of how things could be if the major institutions of American life were already doing their assigned jobs well. For example, education through elementary school and high school are free; attendance until age 16 is mandatory. If such opportunities were being universally seized, so that every man, woman and child in America were adequately educated in all the basic skills, and ready to enter the world of work with

the habits and aptitudes needed for employability, the road to long-term dependency would be far less travelled.

Almost two million new jobs are being created each year and entry-level jobs are plentiful and open to all, as millions of immigrants are discovering. In some localities, labor markets are severely depressed, and thus economic growth is necessary. Still, where entry-level jobs are available, if all who were able to work took such jobs, even menial ones at first, stayed employed, and built up skills and proficiency, long-term dependency would be significantly reduced.

Marriage and family life are freely chosen. If a lasting husband-wife marriage were again the almost universal national choice, and if young persons delayed having children until they had completed school, married and established themselves in adequate employment, dependency would fall.

To develop sound habits and attitudes is the central art of living; acquiring them is crucial for success in every walk of life. If the nation's media--its rock stars, popular entertainers and commentators on morals-- sounded a drumbeat of hard work, responsibility, and a sound family life, the efforts of parents to teach their children the basics of self-reliance would be greatly strengthened. If religious institutions and schools taught self-respect and self-discipline; and if local groups insisted on excellence and civility, then young persons, trying to meet the

expectations of the adult world around them, would doubtless fulfill many more of their possibilities.

Having a low income is one thing when most of the poor have hope for a better life for themselves and their children, and are trying to realize those hopes. It is quite another when millions, especially among the young, are passive in face of opportunities available to them, and fail to gain the skills to act productively even on their own behalf; and when many non-governmental institutions of American life are failing to provide the local, concrete leadership needed to break these self-damaging behaviors.

For such reasons, the Working Seminar emphasizes strongly that, in the next round of assaults upon the problems of poverty, government assistance alone is not enough. <u>All the institutions of American society will need to become engaged in supporting the struggle of the poor for self-reliance and participation in the common life</u>. At every level--from those who help to shape the national ethos, to clergy, parents, and teachers in local schools who teach our young high morale, character and determination--Americans must recreate our two-sided ideal of community and self-reliance. Our bonds to each other must be strengthened. The capacity of each to develop the skills required for independence must be exercised.

What can our institutions do to bring this about? Some of the poor are elderly, disabled, or otherwise objectively in need of income support. Providing income support to such

needy persons is not without its unintended consequences; still, compared to treating the problems of those whose dependency is behavioral, it is relatively straightforward. Others--the able poor of working-age and their children--need skills, habits, and attitudes through which to achieve independence and to make the productive contributions society needs from them. Still others have deeper problems, such as drug abuse. No complex society will ever want for persons who need a full range of special attention, well beyond an income supplement. Their unusually large numbers today, however, have led the Working Seminar to concentrate far more upon the behaviorally dependent than upon traditional vulnerable ones such as the elderly and the disabled.

The nation need not be concerned if low income results from a voluntary choice, but only if dependency is not voluntary. Income support, when families and private sources cannot provide it, is mainly government's responsibility; dependency and dysfunction require much more than that, and from the whole society. This added attention cannot be given impersonally. Most of it must be given by concerned individuals: by parents, teachers, clergymen, fellow parishioners, employers, journalists, medical assistants, and other fellow citizens. Dependency has many human dimensions; that is what makes it seem intractable. We applaud the work of community groups, sensitive to local needs, and able to draw upon resources not available to any government, in giving encouragement and concrete assistance

to persons seeking to better their own condition. We encourage their expansion.

But government, too, must look to its own expenditures on behalf of the income support and the educational, health and human services it offers to its citizens. The federal government alone is spending more than $400 billion annually for such purposes, although mostly (and most successfully) for retirees. State and local governments spend many further billions. Government must be certain that the present design of its programs is actually achieving its own good intentions. This will require a transformation of the nation's flawed entitlement-based system into a system that emphasizes the mutuality of assistance and obligation.

Like other institutions, government is a limited and less than perfect instrument. Like medicine, for those it means to help it should not make things worse. And it should frequently look afresh at its own work. Its new initiatives should be measured by careful reflection on past results. As experience warrants, changes of direction will be called for.

Our recommendations, then, are aimed at every institution of American life. Some are designed to enable government, federal, state, and local, to do better what only government can do.

2. The Foundation: A Growing Economy

In principle, no one will disagree that the foundation of successful welfare reform is economic growth. Economic growth is indispensable to an atmosphere of hope, to economic opportunity, to the creation of jobs, and to growing public revenues. As Alice M. Rivlin has written:

> The experience of the postwar period indicates that overall economic growth is a powerful means of reducing poverty. Programs to provide education and job skills for low-income people have little chance of success if there are few jobs available and little prospect of a better income. Even if some proportion of those in poverty cannot be expected to participate in income growth, the provision of resources for their support is easier with a growing economy. [1]

As we learned the hard way during the mid-1970s and during the recessions of 1980 and 1981-82, when the economy goes badly, little else goes well, especially for the poor and the dependent. By contrast, those periods during which poverty has most declined have invariably been periods of economic growth. Clearly, policies designed to reduce poverty must be consistent with economic growth.

Some commentators have expressed concern about apparent inequalities in the distribution of income and wealth in our society. We share their desire for fair distribution, but remain convinced that only economic growth meets broad human needs for progress, including better distribution. It is in times of economic growth that the poor increase their shares.

Despite the recent long-lived economic recovery, some experts have contended that an expanding economy is not helping the large numbers of the poor who live in distressed areas where jobs are not likely to be plentiful. This, too, is not beyond dispute. Areas of concentrated poverty are clearly in evidence, but just how hopeless their problems really are is not a settled question. In recent years, the American economy has generated millions of new jobs, including many in communities (such as the old mill towns of New England and the small cities of the South) for which hope had been all but abandoned just a few years earlier.

Moreover, the high rates of employment found among recent immigrants suggest that entry-level positions even in high-poverty areas are not lacking; and the fact that only a minority of the poor reports that work is unavailable tends to confirm the point. In any event, the fact that some areas need more concentrated attention is no reason to resist policies that favor a broad and general pattern of economic growth. The latter will in any case be necessary, even if only to gain resources for tackling the harder cases.

Nonetheless, a significant proportion of the poor is not benefiting sufficiently from recent economic growth. The number of single-parent families without income-earners (or only low earners) has grown quite large during the past fifteen years; and young singles are remaining outside the labor force in proportions seldom seen before. Economic

growth occurs around them and, while many benefit, others seem unable to take advantage of new opportunity. By not working, such citizens are denying themselves a crucial form of personal development, a sense of responsibility, and the satisfactions of self-mastery; and the community is denied the positive contributions they could make. To change this novel situation, however, economic growth remains indispensable, even though it is not sufficient.

Our Working Seminar does not recommend specific economic policies, only to stress some fundamentals: Inflation hurts the poor and those on fixed incomes most of all; keeping it low is basic. Job growth is crucial, if the poor are to contribute to society and share in its wealth with fairness and dignity. Enterprise and investment are necessary, if the poor are to improve their lot.

The only solid foundation on which the poor can be helped is economic growth. Yet, since economic growth is not sufficient to meet the problems of dependency and dysfunction, which are at the roots of the present crisis, we have been driven back to some other fundamentals too.

3. Dealing with Behavioral Dependency.

If the problem faced by the nation were solely that of raising the incomes of the poor to levels above the poverty line, its task would be merely monetary. Nor is it especially difficult to help those able adults who for reasons

beyond their control, for limited periods of time, need help to regain their own self-reliance. Resources exist for such matters; procedures have been tested in the crucible of hard experience. There are always shortages of time, personnel, and money in existing social service agencies, but for those adults at the margin of the working community the prognosis is good.

The most baffling problem is how to help those adults who in principle should be earning their own way out of poverty, but who presently lack the capacity to help themselves. They may be of sufficient age, health, and objective capacity; yet, nonetheless, they are not coping. Possibly, their own basic institutions -- families, schools, churches, neighborhoods, the economy, even the ethos informing their knowledge of life -- have failed them. Or, possibly, they have failed to live up to the standards of the institutions that have tried to help them. Some of the poor, as we have seen, report that it is too easy to interpret current welfare programs as an offer of cash and assistance, medical and nutritional, on condition that one chooses to have children and not to marry.

A free society levies demands on individuals; it offers opportunities, but no one is coerced into taking advantage of them; it permits failure. For whatever mix of reasons, circumstantial or personal, there seem today to be significant numbers of citizens whose own behavior is putting them, and keeping them, in dependency upon the public purse --

and, worse still, in an inward dependency, which prevents them from coping well with responsibilities even to themselves. Alcoholism and drug abuse are obvious manifestations; others are dropping out from school, regarding work (beyond hustling or street crime) as foreign territory, or failing to pursue long-term goals of self-development. Some young people are begetting children out of wedlock and before they are ready for the responsibilities of parenthood, thus involving many innocents in cycles of vulnerability. For such persons, low income is in a sense the least of their problems; a failure to take responsibility for themselves and for their actions is at the core. It would seem to be futile to treat the symptom, low income, rather than the fundamental need, a sense of self.

The matter is so basic that it is hard to know where to begin, except with basics. In a free society, a broadly diffused sense of personal responsibility is an essential component of a vital public life. Without it, the institutions of a free society could no longer function, and individuals would fail to live as free men and women.

But how do most citizens learn the sense of self that comes from assuming responsibilities, setting goals, accomplishing first one task and then another, and thus enjoying the pleasures of self-determination? And what can other citizens do to help those who face difficulty in taking such steps? Mostly, we do not think about these things because the institutions that surround us teach them to us so

effectively we hardly notice. It is only when this basic teaching breaks down that we recognize what we once took for granted -- as in learning to walk again, after an accident. It is this breakdown which helps to explain the approach that we have taken.

First, for child development, for sound habits, for assistance in schoolwork, for income, for mutual support in work -- in a multitude of ways -- the family occupies a pivotal point in social life. During a child's formative years, family life profoundly influences whether the practice of personal responsibility is reinforced or undermined. Thus, much of the success of public policy depends upon what it can assume families will do, or not do. The better the family functions, the easier for other institutions. When families exhibit deficiencies, the work of other institutions, trying to make up the deficits, is more difficult and more complex.

Second, in complex societies such as ours, education in school and continuing in later life is critical for personal development; for growth in the habits of citizenship; and for self-mastery.

Third, for able adults, work is the basic route to self-reliance and a sense of dignity; it is also one of the chief ways by which individuals contribute to the common good of all.

Fourth, voluntary social institutions play crucial public roles: in shaping the effective social ethos within

which citizens learn to exercise their responsibilities; in establishing the environment within which government operates; and in conducting the main activities of civilized peoples: commerce, science, the arts, civic discourse, play, and worship. The scope of voluntary social institutions is larger than, and more basic than, the scope of government -- clearly so in the realm of conscience, ideas, and information; in the world of work; and even in the actual carrying out of public policy. The multiple roles of the press, the arts, religious institutions, educators, businesses, unions, and every sort of association and organization have a larger public sweep than the roles properly assigned to government.

Nonetheless, the federal government, states, and local governments have been assigned fundamental tasks that, although strictly limited, are indispensable to the common good. These various levels and forms of government best work in partnership, without usurping one another's proper spheres. Obviously a degree of potential conflict has deliberately been built into the system, for the sake of creativity and for checking abuse, sloth, and other faults to which institutions are prey. Sometimes one among them, sometimes another, may represent the cutting edge of the nation's moral sense.

All these basics: personal responsibility, family, education, work, voluntary social institutions, and every level of government, have been important in our thinking

about the behavioral dependencies that keep too many able adult citizens from acting well upon their own behalf -- keep them dependent upon the public purse, in the first place, and keep them unable to cope well for themselves. The problems of dependency and dysfunction are so basic that they can scarcely be addressed otherwise. Government alone cannot solve these problems; it can scarcely even touch them at their depths. But government can show leadership in focussing upon them candidly and realistically; in inspiring all citizens and all institutions of society to focus their talents and resources upon desperate needs; and in helping to set in place the conditions that may lead to steady and sound progress in reducing them. As far as the Working Seminar can see, there is no silver bullet, no magic wand. The existing problems are deep, difficult, perhaps to some extent intractable. That they exist in current magnitudes, however, corrodes a free society.

In making our recommendations, accordingly, we have tried to stick close to basics, and to hit the middle level of generality -- to state clear principles, but without becoming bogged down in technical detail. There is still too much to learn through experimentation, demonstration, and research to make definitive programmatic suggestions with certainty. We have kept practicality in mind, but have seldom addressed the particulars of administration.

This is because the members of our Working Seminar, representing several different philosophical orientations, have come to recognize that persons of good will, while disagreeing upon some particulars, may simultaneously stand together on essential common principles. The problems of dependency and dysfunction are today so at odds with what this country stands for, and so damaging to the citizens caught up in them, that a common assault upon them is absolutely indispensable. That is why we have tried to go beyond our diverse views in order to establish common ground.

The Working Seminar did not attempt to reach complete agreement among its members on the steps to be taken. Some in our group believe that the current welfare system has failed the test of any successful system: to provide needed assistance to those unable to help themseves, but without destroying the spirit, initiative, and drive of many others. The trends of the last decades represent in their view not failures that can be fixed by better program engineering, but the futility of attacking dependency at a distance. Nonetheless, short of a total restructuring of the welfare system, which now seems to them unlikely, they embrace the principles set forth by the Working Seminar.

Together, the entire Working Seminar holds that reducing dependency will require the keenest intelligence and most sustained effort American society can summon up. It will require working together as a national community to increase the numbers of self-reliant citizens.

4. Major Agents of Change: Family, Schools, Neighborhoods

I. The home environment for young children in impoverished families should be the primary location for preventing future dependency. During the crucial early years of their lives, the family is the most favorable place in which to show the young how to become conscientious, cooperative and self-reliant citizens. When families lack that capacity, other institutions must come to their assistance. Some poor families have abundant capacity to give their children a nurturing environment and, by the same token, some wealthier families lack it. However, the challenges all parents face are generally more burdensome for those who have inadequate incomes. That is why the large number of children in poverty -- especially those in single parent families -- gives rise to deep concern. Some impoverished families, such as those concentrated in the high-poverty urban areas and sometimes referred to as the "underclass," endure especially severe deficits.

With all these needs in view, we offer the following recommendations:

-- Religious institutions, schools, and voluntary institutions should make the moral, cultural, and educational enrichment of home life a primary focus of efforts to reduce dependency. Classes in childcare, handbooks

designed for parents who seek help in doing better, and outreach services should be developed.

-- Parental responsibility for the support of children should be reinforced. Although the nation pays considerable homage to the notion that parents are responsible for the support and upbringing of their children, our practice in recent decades has fallen increasingly short of that ideal. Public policies have failed to support the exercise of this responsibility.

-- Political and administrative pressure should be brought to bear to improve that record. Some would advocate allowing lawyers to accept child-support cases on a contingent-fee basis. Others argue that changes in the property aspects of divorce laws will be needed to undo provisions adopted in the last decade.

-- The fathers of out-of-wedlock children receiving AFDC should be identified by mandatory paternity findings; all fathers should be held to child support obligations, including collection efforts; and community leaders ought to hold up for esteem only those fathers who fulfill their family responsibilities.

-- Young mothers receiving AFDC benefits should be required to complete their high school degrees or equivalency and then seek work.

-- Voluntary institutions should help these young mothers through classes in child care and child education, and other efforts that bring these mothers out of isolation,

in social settings that provide child-care and instruction and also prepare them for employment. Such initiatives are underway in several states.

-- In regard to young teenage mothers, welfare policy should not confuse their legal status as parents with their physical and emotional standing, which may be less than adult. It is self-deception to suppose that allowing teenagers to establish their own homes enables them to exercise parental responsibility. Consequently, unless there is a finding that their safety so requires, welfare benefits should not be paid to recipients under age 18 living in independent households. Rather, recipients should be aided either in the homes of their own parents or in supervised congregate homes, such as those now being run by voluntary civil, religious, or other social service groups.

-- Child abuse and child neglect are serious national problems. However, there is a tendency to treat the symptoms of poverty as a form of "child neglect." A large number of poor children now being placed in foster care could be safely left with their parents.

-- Support should be given to organized private efforts such as one recently announced by a national coalition of black churches to encourage their members to open their homes for the adoption of parentless black children who would otherwise be sent to state foster care.

-- Parent-teacher associations should develop materials and counselling services especially designed for

parents in high-poverty areas, to help them to strengthen the educational environment of the home, to design home study areas, and to prescribe hours for homework.

-- Experiments in various localities to link schools to homes, especially among the dependent poor, should be studied for ideas that work, as should those experiments in early childhood education for the poor that have proved particularly effective.

-- Instruction in the probable long-term effects of illegitimacy and early parenthood upon both children and their unprepared parents should be made available to families and schools, lest irresponsible pregnancies contribute to long-term dependency.

None of the members of the Working Seminar believes that the trends in divorce and illegitimacy that have so altered the American family in the past generation are inexorable, even though altering their direction may be difficult and slow. While those trends are no doubt more affected by cultural than by governmental factors, government should not reinforce developments fraught with social misery.

II. Schools should impose high standards of achievement, behavior and responsibility on all students. Education is vital for all children, but especially so for those from disadvantaged backgrounds. Few public policy developments in the last twenty years have been as ruinous for the

poor as the well-documented decline in the quality of American public schools. In the past, schooling was a powerful engine of upward mobility, enabling the young to overcome the disadvantages of impoverished backgrounds and to rise to heights their parents had barely imagined. Still today, there is a strong association between the completion of high school and the avoidance of lengthy periods in poverty. However, a large proportion of students does not finish high school at all and for students from low-income homes drop-out rates are particularly high.

Ironically, the decline in educational quality comes just at the time in which educational research has begun to identify the key ingredients in successful schools. These ingredients were recently summarized, for example, by the Secretary of Education, William J. Bennett:

> [Successful] schools have outstanding principals who lead and inspire and bring out the best from a dedicated, motivated teaching staff. These schools reach out to parents and establish an alliance among the parents, the community, and the school: an alliance dedicated to the nurture, protection, and education of children.
>
> These schools concentrate on the basics -- the basics of good behavior and the basics of academic achievement. They set rigorous standards for students. They nurture character and transmit clear standards of right and wrong. These schools reward all forms of achievement by students, and they provide regular assessments of students' progress so the children get the help and the support they need. [2]

Federal, state, and local funds alone cannot buy effective schools, because the participation of parents in the education of their children is indispensable. Nonetheless, along with other institutions of American society,

government at all levels should concentrate on improving the effectiveness of local schools. On the one hand, behavioral dependency among parents is associated with poor performance by their children in schools. On the other hand, a sound basic education secures for children the surest escape from cycles of dependency.

-- Communities should be encouraged and assisted in setting high standards for their schools, recognizing that the key factors are: strong principals; an orderly but not rigid school atmosphere; a school-wide commitment of resources to and focus on basic skills; a highly visible expectation that every child can learn; and frequent monitoring of the performance of each student.

-- Great care should be taken in choosing principals, and rewards should go to those who are particularly successful in setting high standards, and in leading students to achieve them.

-- The training of principals should be a high community priority.

-- Fear of lawsuits claiming the violation of "student rights" has deprived some school officials of a spirit of initiative and led others to take the course of least resistance, for example by not enforcing standards of behavior that they know have been violated. Federal law should be amended so that, within appropriate limits, principals have greater good-faith discretion in setting and

enforcing schoolwide standards of behavior, without fear of law suits.

-- Since there is abundant evidence that family life has a profound -- even decisive -- impact on what a child learns, educators must make a more serious and sustained effort to involve parents in the education of their children. To be successful with disadvantaged children, in particular, schools must involve families in the day-to-day business of education: doing homework, specifying expectations, maintaining intellectual and physical discipline, and monitoring performance. In addition, parents must assure that the climate at home complements and reinforces that at school, and that both together reward solid achievement and excellence.

-- An important step in this direction, consistent with racial integration and system-wide order, would be to give parents a greater measure of choice regarding which public schools their children attend, as is now done with "magnet" or "specialized" schools.

-- The choice of an appropriate educational program for their children is especially important for low-income families. Some members of the Working Seminar favor a voucher or an open enrollment plan; others doubt the practicality of such plans. All agree in seeking ways to give poor parents more of the flexibility and freedom others already have, and to make the public schools more accountable for their performance among the poor.

-- Although most of the burden for improving education lies with state governments and local communities, the federal government has expressed its own concern through various programs. There is some evidence to suggest that these efforts have had at least some good effects, not as deep and lasting as had been hoped, but warranting experiments and demonstrations designed to do better than the early ventures.

-- Since teenage pregnancy is a significant cause of dropping out of high school (as well as of a future of welfare dependency), much recent discussion has been devoted to what schools might be able to do to prevent it. For behavioral dependency, illegitimacy is a crucial issue. Some suggest earlier and more thorough sex-education classes; others favor providing advice on contraceptives through school health services; some advocate moral education and character formation; still others believe that only strict methods such as expulsion from regular classes can have the needed impact on the values of all.

Some evidence suggests that pregnancy rates are most likely to decline when teenagers have a strong sense of self-esteem and are optimistic about the future. If so, one of the most effective steps schools can take is to give teenagers confidence in their own education and in their preparation for careers. Clearly, sexuality affects human beings in their complexity, and raises moral, psychological, and emotional questions. In any case, the approach to these

-- In some places, groups of public housing residents have been able to organize and enforce standards that have dramatically improved living conditions and safety. Public policy should encourage neighborhood crime patrols, sanitary code enforcement drives, school associations, and the like. Most communities, when challenged, do possess the leadership to sustain such activities; but beyond attaining immediate goals, successful local self-organization reinforces habits of social imagination and perseverance.

We are aware that recommendations of these types raise justifiable concerns about their potential for violating individual rights or unduly infringing upon unconventional behavior. As in other areas of public policy, a wise balance must be struck. Since in recent years public policy may have gone too far toward protecting personal rights of those who ignore community responsibilities, more concern must be given to the well-being of the large numbers of poor and dependent, whose chances for achieving a decent standard of living is undermined by the flagrantly disruptive conduct of irresponsible neighbors.

5. The Vital Sector: Voluntary Institutions

Although in the past two decades all levels of government have assumed increased responsibilities for helping the poor and dependent, nonetheless, the success of public efforts depend crucially upon what major private

institutions do, including the media, religious institutions, professional organizations, voluntary associations, and others. Government can help create an economic and social climate that is conducive to self-reliance, but only private institutions can inculcate the values and habits, and establish the local supports, that enable people to achieve it. Laws and administrative regulations can enforce civic obligations and standards of good conduct, but only the support and encouragement of private institutions can make them a matter of internalized volition. A free people is responsible to moral principles far beyond the reach of government.

From the other direction, too, public policy can and does affect the character of private institutions. Welfare agencies inevitably convey values, not solely material assistance. Schools inevitably convey values, not solely academic skills. In the settings of the poor and the dependent, many values currently conveyed are not as helpful as they ought to be. And many national institutions that have great influence upon the behavior of the poor may be chiefly attuned to the very different life-styles of those who are better off.

Nonetheless, one of the worst handicaps of poverty-stricken communities is a breakdown in their own capacity to form associations of mutual support. As a result, many of today's poor live in a cultural climate that is deprived, and this deprivation goes deeper than economic insufficiency

questions should serve the values important in reducing behavioral dependency: the married-couple family, personal responsibility, preparation for parenthood, and a respect for social obligations.

Education, of course, cannot carry the entire burden of reducing teenage pregnancy or, for that matter, of alleviating dependency. The job of providing adequate instruction is difficult enough without making schools responsible for curing all the problems that afflict the unfortunate. But for schools to demand less of the children of the poor would be tragically wrong. Only by insisting on a high standard for all students can schools convey society's expectation that the poor are as competent as others and, given the strength of some in the face of adversity, sometimes more so.

III. <u>The rights of the poor to integrity of life, limb, and property should receive equal protection under law</u>. Crime and civic disorder are among the worries of most Americans but they are part of daily life of the poor. The neighborhoods in which the poor live -- especially the inner-city enclaves, not least in large public housing projects -- are often wracked by violence and vandalism. Signs of decay and destruction, human as well as physical, are everywhere in sight.

Such conditions have a profound effect on residents who are seeking to escape from poverty, and not just because

their lives and property are always in danger. In troubled neighborhoods, small stores and businesses -- an important source of entry-level jobs -- cannot flourish and discipline in the schools breaks down. Those who do manage to get ahead move out as soon as possible, depriving those who remain of community leaders and role-models. Despair and resignation are in the air, not the faith and optimism needed to sustain the quest for advancement.

One of the most fundamental goals of government is to preserve "domestic tranquility." In the neighborhoods inhabited by the poor, public policy is falling far short of that basic objective. New directions are necessary:

-- To introduce innovative methods of policing, aimed at maintaining order, not just solving crimes.

-- To tighten court procedures, particularly with regard to bail, sentencing and parole.

-- To control the illegal drug trade in poverty-stricken communities. In this task, broad community support at every level is necessary, including national leadership and massive support from the media of popular entertainment.

-- Government can act directly and effectively to better neighborhood conditions by amending the rules regarding public housing. At present, these regulations make it extremely difficult to exclude or to evict tenants who do not meet minimally acceptable standards of conduct. This situation should be remedied.

alone. All assistance to them should be designed in ways that evoke their own strengths, and never by assuming that these strengths do not exist.

The Working Seminar believes that, if the nation's revived interest in reducing poverty and dependency is not to fail, raising the confidence of the poor in their own innate strengths, values, and habits is of the highest priority. When society expects too little of each citizen, it encourages a habit of dependency.

In this respect, voluntary institutions must play the crucial role. A century and a half ago, Tocqueville recognized that association is the true invention of America, and the first principle of the new science of democracy. "Public" and "private" are not antonyms; they are two distinct but interrelated ways of expressing the social nature of human beings. Of the two, the non-governmental public sphere is by its nature the larger, more central, more flexible, more immediate, and more inventive. Its responsibilities are more various and encompassing than those of government. Thus, questions of poverty and dependency cannot be confined solely to action by government, for the public sector is by its nature unable to engage such problems at the necessary moral depth. There follows a major principle.

IV. Since voluntary associations have a public character and public responsibilities, they should focus their power on reducing behavioral dependency.

-- The mass media, for example, have vast (but not unlimited) power to shape the national ethos and to focus public awareness on important problems, as they have done successfully with regard to world famine, fitness, smoking, and other issues. In the values they transmit, in the heroes they hold up for public acclaim, in the lessons they convey through songs and stories, and in other ways, the media can help nourish a moral environment in which the habits crucial to exiting from poverty are socially reinforced. The media must lead the way to a new national commitment to reducing dependency if that commitment is to succeed. Some of the young are more likely to derive their cultural heroes from the media than from their parents, teachers, religious traditions, or other local authorities.

-- Since many of the poor, as well as the nonpoor, are devoutly religious, religious institutions are among the most effective institutions in impoverished communities, and have the potential to provide considerable personal guidance and practical help. When true to their own inherent power, few institutions can better inculcate those habits of cooperation and self-reliance, of responsibility, self-control and community service, that best express human dignity. Few can better address the current breakdown of religious ideals of marriage, fidelity and commitment, which

is not only wreaking unprecedented devastation among the poor, but also steadily increasing their numbers (even during periods of economic growth.)

-- Religious social agencies should help to focus the resources of society upon the moral dimensions of dependency. But at the same time, working from principles different from those of government officials, they should challenge the poor and empower them through spiritual determination, inner strength, and community involvement.

-- Religious institutions should inspire the nonpoor to reach out to the poor in private and local ways. Whereas making up for income shortfalls is necessarily a task in which government must play by far the larger role, religious and other voluntary institutions can focus both philanthropy and charity on the family life of the vulnerable, the personal development of youth, and social cooperation in neighborhoods.

-- Voluntary and professional associations -- fraternal, foundations, service clubs, citizens' committees, neighborhood organizations, businesses in their civic and philanthropic roles, and other social bodies -- should strive to make up for the inevitable limitations of public policy.

-- Using the talent and resources that are their glory, voluntary associations should continue to take inventory of the problems of the poor and the dependent in their communities and seek to invent new ways of coming to their aid.

This should include diagnosing where government programs fall short, examining local civic resources, and re-structuring local methods of meeting human needs, so that efforts now wasted (or not being undertaken at all) might be re-directed in a more systematic and productive way.

-- Beyond providing those charitable donations of goods and services which in any society will always be necessary, associations with particular skills should make contributions, flowing from their own strengths, that no one else is likely to meet.

-- Lawyers and medical professionals have special obligations to the homeless, many of whom are clearly incapable of self-reliance and in need of medical treatment. Using private initiatives, bankers, builders, and realtors should address the housing needs of low-income families, and encourage the private upgrading and improvement of the existing housing of the poor. One example of such projects is to sponsor neighborhood teams of craftsmen -- who might not otherwise find credit -- to purchase, rehabilitate, and re-sell or rent older buildings. As some are already doing, food distributors in metropolitan centers should devise private-sector ways to make otherwise wasted food available to food banks for the hungry.

-- Last, but not least, is the important role of specific organizations of ethnic and racial minorities. Although blacks and Hispanics are still disproportionately represented among the dependent, it is less plausible today

than it was a generation ago to assert that poverty is especially connected with race. Today, nonetheless, the scholars, leaders and rank-and-file members of black and other minority-group organizations are speaking frankly about behavioral dependency and devising realistic ways of dealing with it. Their leadership is indispensable to the social progress of all groups. They establish the tone and context of much public discussion. The nation relies heavily upon them.

-- For all voluntary institutions, from religious institutions through philanthropic organizations to businesses, it is more than ever necessary to reach into the areas in which dependency is concentrated. Apart from habits of self-reliance, citizens in those areas cannot better their condition; yet interventions from government are likely to deepen them in dependency unless other citizens reach into their lives and draw them into the ethos of cooperation and self-reliance. It would be wrong now, more than ever, to abandon the underclass. Since federal programs are not sufficient to end dependency (and, when done badly, may permit it to thrive), it is crucial that other agencies become involved.

In summary, voluntary institutions play a broader and deeper role than government. But they alone, apart from government, cannot do all that is needed if dependency and dysfunction are to be reduced.

6. Federal, State and Local Government

Not all Americans can support themselves, nor should they be expected to. Generous provision for those without other means is the clearly expressed will of our society. Yet growing unease has appeared in recent years about the consequences of welfare programs. Across the political spectrum, concerns that we have not been doing enough have been eclipsed by fear that we may be doing the wrong things -- and thus worsening (or at least, ineffectively responding to) the condition of the poor. As a result there has been a resurgence of interest in redesigning public assistance programs, with the aim of providing more adequate aid to the poor without inducing the values and habits characteristic of prolonged dependency.

In framing our own recommendations for governmental actions we discovered, to an extent that surprised us, that much of what used to be the conventional wisdom about a sound public assistance program is no longer broadly accepted. And, on the other hand, the shifting weight of evidence has made much that used to be controversial appear to be well-founded. Focusing on basic principles reveals most starkly the outlines of the new consensus.

V. Recipients of welfare should be required to take part in work (or time-limited training programs) as a condition of obtaining benefits. For those who are able to

become self-reliant, welfare policy should be designed to help them to do so. Though somewhat controversial a decade ago, this principle is now widely accepted; states and localities throughout the country are experimenting with ways of implementing it through work and training programs. Many issues remain to be addressed.

First, Who should be considered "able to become self-reliant"? Some would exempt mothers of pre-school children, and thereby eliminate a significant portion of the welfare population. Others would leave such decisions to the discretion of local officials, and thereby assure wide variations in enrollment. Based on our reading of the evidence, the Working Seminar generally believes that work programs should be broadly inclusive and have uniform standards of eligibility. Not even mothers of pre-school children should be exempt, since a majority of their counterparts who do not receive welfare are in the labor force at least on a part-time basis. Further, those who delay entry into the labor force will find it more difficult later.

A second issue concerns the kinds of work or training that should be undertaken by those who are expected to participate. Among existing work programs, the range of activities is broad, extending from elaborate social and educational services to rudimentary "work experience" assignments. We believe that such diversity is desirable, since to be successful, a program must be attuned to the

differences found among the poor and dependent. Further, such diversity adds to our remarkably incomplete information about what does in fact work. The Manpower Development Research Corporation and others have developed effective research methods for evaluating such experiments.

Whatever the case, it is essential that all able recipients should be enrolled in work, duration-limited education, or short-term training programs in return for collecting welfare benefits.

-- Young mothers should be required to complete high school (or its equivalent) and prepare themselves for future employment.

-- Older mothers with previous experience in the labor force should be expected to find work in the private sector or (as a last resort) to accept an assignment in the public sector.

-- Those involved in work programs, whether staff or participants, should be expected to regard every job, even part-time and at a minimum wage, as an obligation to society, as important to future work experience, and as an occasion of self-development. Without this conviction, current efforts to provide new services to welfare recipients could, like many previous ones, become a substitute for work.

-- A minimum of emphasis should be placed upon public service jobs; the overriding emphasis should fall upon personal responsibility for finding jobs in the private

sector. Social service agencies, with strong political leadership, should develop programs to involve private sector employers in placement efforts. Jobs in government should be a reluctantly accepted only in areas so depressed that there are clearly insufficient jobs of any kind. In the growing service economy in the 1990s, entry-level jobs are likely to become increasingly abundant as, due to demographic factors, labor shortages develop. The coming decade may be unusually favorable for moving large numbers of recipients from welfare to work.

VI. The implementation of work programs should move forward cautiously and in graduated steps. Over the past twenty years, the experience of federal job training programs has been less than impressive. Although the current wave of innovative workfare experiments is of considerable social value, even these promise modest results. The danger is that excessive eagerness to move ahead with an idea that seems to work may put in place an expensive program that does not lessen dependency. Therefore, the Working Seminar recommends a step-by-step approach to workfare, securing sound successes and avoiding over-promising and disillusionment. Programs should neither be massive nor designed for swift results but for steady progress in increasing the proportions of the employable engaged in constructive work. Various states and localities have already become laboratories of this approach.[3]

-- The funding formula as between states and the federal government should maintain the incentive of states and localities to reap the benefits of the savings gained by moving the dependent from passive recipiency to productive work. The formula should place a high premium upon strong and imaginative local leadership able to match up individual jobseekers with individual employers; in work programs this is crucial. If too large a portion of funding flows from the federal government, the incentives for state and local governments shift. Instead of husbanding their own hard-earned resources wisely, and actually helping the dependent to gain independence, administrators may spend less carefully moneys on which they are themselves dependent. Considerations of fiscal responsibility and self-reliance bind various levels of government, too.

In candor, it must be said that many people -- including members of the Working Seminar -- believe that the numbers of persons moving from dependency to work are likely to be modest at first, and some of those who do begin to work may have families too large to support without additional assistance even so. Nonetheless, even modest gains are not to be dismissed lightly; the benefits to each individual and family make important differences to their morale and sense of dignity. But more crucial still is the broader signalling aspect of public policy. Public policy establishes a moral climate as well as an economic one; it sets goals for citizens and incites efforts. Thus, an

effort to require work by recipients is worthwhile if it establishes throughout society the essential notion that an individual's benefits are conditioned upon social obligations being met, even if the actual numbers brought into such programs are at first small and progress gradual. In this way, the poor will be treated with the same dignity and respect as other citizens.

VII. Cash benefits should be transitional in nature. Public assistance is intended as a temporary form of aid, providing help until the recipient -- a mother recently widowed or divorced, for example -- can become self-supporting. For many current recipients, that is exactly how welfare operates. But for a large number of others, AFDC has become a long-term source of support, often leading to habits of dependency that make attaining self-reliance progressively more difficult. Among most who have looked at this problem, there is now agreement that public assistance should be restored to its original function. Some, though not all, of the necessary steps are clear:

-- For women of mature age thrown into temporary poverty by divorce or separation, transitional aid is in line with the purposes of AFDC. Many such women possess the educational resources, skills, and determination to enable them to become independent within a short time. Programs assisting them, accordingly, should not compromise their independence.

-- Those, however, who need preliminary training in personal habits and work skills should be required to enroll for a time in work-training programs or, if necessary and appropriate, to complete their high-school degree or equivalent.

-- After a specific time limit (such as two years), a recipient of AFDC would be required, as a condition of further assistance, either to find employment or to accept employment in a public job.

VIII. Clear and fair sanctions should be imposed on able recipients of benefits who fail to work without good cause (such as a serious physical or mental disability). The integrity of AFDC as a transitional program must be upheld. No proposal to reform welfare is worth considering seriously unless it establishes clear sanctions for non-compliance.

Sanctions are important both as signals of the basic values of a free society and as guides to self-development. A welfare policy without clear incentives and sanctions promotes disorientation about values, and thus does injustice to those it would help. Sanctions may be constructed positively or negatively, offering either incentives in the form of rewards or denying benefits unless obligations are met. The underlying principle is that the welfare system must be infused with a sense of obligation, in order to build a sense of reciprocal bonds among the

members of the civic community. That community best helps the able needy by including them within its own productive activities. Such a principle underlies both obligation and sanction.

Accordingly, care must be taken not to allow welfare programs to be governed by a misdirected compassion, in which benefits are offered without reciprocity. In that case, the humanity of able recipients would be undermined, and they would be treated with lesser dignity than other citizens.[4]

All welfare programs need sanctions that prevent flagrant abuses and, more important, signal the path for productive behaviors. Such programs have a teaching function. In many cases, clear sanctions can warn recipients against dependency, or change its nature. Some states have reported that the mere fact of insisting upon work has brought significant reductions in the number of applications for benefits; this suggests that some able adults were in fact able to care for themselves without depending upon the public purse. Others, obliged to work, have reported greater satisfaction in working than in their earlier passivity.

Insistence upon clear sanctions, however, is bound to present hard cases that test the seriousness and the wisdom of administrators. There will be cases, for example, in which cutting off the benefits of a parent (or parents) who do not fulfill their obligations will result in "punishing"

the children. Such cases are undeniably difficult. But three considerations must be kept in mind in resolving them: (1) To keep children at risk by allowing their parent or parents to act irresponsibly may be to harm the children even more grievously; (2) the making of flagrant exceptions undermines the system as a whole; (3) to allow parents to use their children as hostages is to invite massive abuse, while confirming the parents in the hypocrisy of their ways.

Some in the Working Seminar support the termination of all assistance in those cases; most of the others would leave assistance to the children intact, while terminating or cutting back assistance to the mother. The lesser sanction, called for under current policy, raises fewer questions about the welfare of the children. For now, it is probably sufficient to ensure that this penalty is well enforced, as at present it often is not.

Welfare workers meet many tests of their own wisdom daily, and will be greatly helped if administrative regulations and community support strengthen their hand in infusing the most needy and desolate with a sense of public and personal obligation, corresponding to the obligations they fulfill to those they try to help. The dignity and future development of dependent persons can be fulfilled only through a pattern of mutual civic obligations. How could it possibly help recipients to reward them for irresponsibility? Consistency concerning obligations is the best compassion, both for individuals and as a universal signal.

Naturally, since the administration of incentives and sanctions is subject to the counterstrategies of recipients, it almost always involves unintended consequences and unanticipated patterns of behavior. That is why experimentation is needed, in different circumstances and among diverse populations of the needy, in order to discern what works best in reducing behavioral dependency. The skills and habits of self-reliance are not easily learned, as Tocqueville noted, and only the wisest of administrative methods are likely to be successful. Considerable emphasis must therefore be placed upon which programs work and why they work.

In administering sanctions, some have suggested the need for sophisticated "case management" systems, run by professional social workers; others have proposed a system of "contracts" between recipients and welfare agencies, specifying mutual responsibilities periodically renegotiated; still others have argued that existing arrangements can be adapted to meet the demands of more extensive work and training efforts. The experiments now underway in many states, counties, and cities should provide valuable information about the most successful approaches. Regardless of the particulars, we believe that one general change will have to occur if work requirements are to function successfully; viz.:

-- The vast array of rules and procedures that have grown up around access to public assistance programs --

frequently as the result of judicial action -- must be critically reexamined. Some rulings seek onesidedly to protect the rights of recipients to benefits, without giving due emphasis to the obligations that recipients have to the rest of society, including the duty to seek to become self-reliant.

The American people want to help all the needy who are unable to care for themselves. They want the able needy to have the same sense of dignity and self-reliance as they have. An insistence upon public obligation through a strict work requirement as a condition for the receipt of benefits is consistent both with the work ethic other citizens feel bound to, and with the nation's understanding of freedom and responsibility.

IX. <u>The working poor should not be taxed into poverty</u>. Few groups among the poor are more likely to command public sympathy than those in whose household one or more persons work full-time, while still the family remains below the poverty-line. Low wages, a large family, or other conditions may prevent such persons from earning an adequate income, despite their best efforts. In the recent past, many advocated "cashing out" in-kind benefits and giving such persons cash directly, based on a test of need, to bring their incomes above the poverty-line.

What is striking about the current discussion of welfare reform is how little serious support this idea now

retains. This turnabout reflects the findings of experiments during the last decade, which revealed that supplementing the incomes of the working poor tended to erode precisely those efforts at self-reliance that many wanted to reinforce. In addition, the practical problems of designing a system of assistance that would provide adequate aid and still preserve incentives to work have proven insurmountable. Above all, such programs seem to undercut the dignity that comes from work, exposing some who do work to ridicule. For some, independence is hard to maintain; the pride that sustains them should not be undermined. Nevertheless, constructive steps can be taken:

-- At a minimum, taxes should not drive low-income workers below the poverty line. By raising exemptions and the standard deduction, the tax bill of 1986 has essentially lifted the burdens of the federal income tax from the working poor. State and local income taxes should be adjusted similarly.

-- The working poor remain liable for payroll taxes for social security, which the Earned Income Tax Credit (EITC) only partially offsets. Thus, some in the Working Seminar favor raising the levels of EITC. Others strongly oppose this, predicting that it would spread some of the dependency-inducing characteristics of current cash-assistance welfare programs to a broader range of citizens. Hence, EITC should not be expanded without a detailed calculation of its costs and probable behavioral consequences.

-- The Working Seminar did not undertake a study of health care. Yet our concern about dependency led us to note a central problem: on the one hand, about 15 percent of the population lack medical coverage, among whom are many who have worked their way out of poverty; on the other hand, there is evidence that some persons now stay on welfare primarily in order to keep Medicaid coverage.[5] Major programmatic experiments are now under way, and a sustained investigation of their results will shortly be in order. That may be the next project of this or a similar working seminar.

-- Finally, although self-evident, it seems worth repeating that government most fundamentally helps the working poor by pursuing policies that foster economic growth, deal with labor-market inefficiencies, improve education and job-related training, and lead to rising real incomes.

X. <u>In the administration of welfare, the principle of federalism should be maintained, but policies should be adjusted to emphasize state and local innovation</u>. In trying to determine which level of government -- federal, state, or local -- should be in charge of administering and financing public assistance programs, much fruitless argument has often deflected attention from the actual condition of the dependent. Following the model of Social Security, some have argued that welfare should be entirely paid for and run

by Washington. Others have urged total local control. Still others want more federal financing ("fiscal relief"), but less federal involvement in administration. As with many disputes over the arrangements of American federalism, no perfect and decisive resolution is ever in sight. Nor should it be, since the vital balance should be allowed to shift from time to time, as experience dictates.

The Working Seminar has observed that, with some exceptions, the current consensus has largely bypassed this earlier controversy. From those who have already made their views known (among whom are several governors and an association of state officials), one hears fewer cries for fiscal relief or complaints about federal intrusiveness. By the same token, the White House has pledged continuing federal fiscal support, while encouraging the current wave of local experimentation. On all sides, the new consensus seems to uphold the principle of federalism. This is generally to the good, since it will enable public discussion to concentrate primarily on the central question: the needs of the poor and the dependent and their corresponding obligations, rather than the mechanism of delivery.

But certain administrative and financial matters do deserve attention. Under the current arrangements, the federal government bears a major share of the responsibility for financing public assistance programs. On the other hand, the states and localities are chiefly in charge of

service delivery, because of their greater flexibility and closer proximity to the individuals needing help.

The Working Seminar believes that state and local governments should be given great latitude to experiment with methods of reducing poverty and dependency. This motivates states, counties, and local jurisdictions -- each in a different way -- to find the programs that work best for them. Often, the mix of programs and their coordination are as significant as their individual design. As long as the federal government and the states share costs, there is a strong incentive for the states to seek their own most effective mix of programs.

But this also means that the federal government should review its own rules and regulations, to be sure that these do not unnecessarily complicate or limit state and local initiatives in welfare reform. Thousands of such rules and regulations have grown up around income support programs such as food stamps and public housing, as well as around more general issues such as due process. Some derive from the courts, not from Congress. In the light of the new consensus on welfare, nearly all of these rules and regulations need to be reexamined. To deal with behavioral dependency, obligations should be specified as far as possible in law. But a certain amount of discretion is necessary in dealing with individual cases, which excessive regulation may prevent.

A frequent criticism of American public assistance policy has been that benefits are not uniform across the country, even though the current package of assistance (including in-kind benefits such as food stamps) has created a de facto floor, held down by only a few very low-benefit states. Some members of the Working Seminar would like to have this floor standardized across the country, possibly at about two-thirds of the poverty-line. On the other hand, we have seen that the poor in the United States are extremely diverse. Neither their behaviors nor their circumstances are uniform. And thus others in our group hold that a standard benefit level would be inconsistent with a social policy that aims to meet individual needs without creating dependency. They fear that raising the floor would result in an expansion of dependency, would diminish the flexibility of the states, and would give precisely the wrong moral signal.

In any case, all of us do support what we (and others) believe is an underlying principle: that standards for aid to the poor should reflect local living conditions and diverse circumstances since, to cite again an obvious example, the nature of poverty is different in rural Iowa and in inner-city Chicago; and since labor-market conditions vary widely in various localities.

7. Conclusion

Judging from the recent outpouring of interest in welfare policy, the United States stands poised for a new era of social inventiveness, a challenging period in which to imagine new ways to do things. Government itself can do more, and do it better, if its leaders and administrators employ the inventiveness that has characterized all creative eras of American life. But through, around, over and under government, all the people and all their associations need to cooperate more closely, and work more imaginatively, if we are really to help the poor.

What does it mean, "to help the poor"? Some are elderly, disabled or otherwise in need of income support. Many of these also need personal services.[6] Others -- the young and able poor -- need income supports less than they need instruction in the skills, habits and attitudes through which to achieve independence and to make the productive contributions society needs from them.

Income support has its difficulties but is, by comparison, relatively straightforward. But helping the poor is not merely a matter of distributing money. Behavioral dependency and the dysfunctions associated with it require the attention of the whole society.

Dependency will not go away through economic growth alone, or through government action alone. In many places, it has evidently become encysted and is now impenetrable

except by the concerted efforts of all, in a more intensive and imaginative way than the nation foresaw two decades ago.

To be sure, there will never be a time when there are no poor persons in need of special help, services and income supports. Human nature and life's vicissitudes will see to that. The nation's goal, therefore, should not be to "eliminate" poverty, but to reduce it as much as possible by adapting quickly to its ever new forms and unforeseen necessities. The problems associated with the underclass, as we have seen, today require a new agenda.

No person should be involuntarily poor, without assistance becoming available from others. No able adult should be allowed voluntarily to take from the common good, without also contributing to it. Low income and behavioral dependency are two quite different problems and should be met by different remedies.

A free society sets unusually high expectations for its able citizens. It demands the self-reliance of each, so that each may contribute productively to the well-being of all. The United States is a community of a special sort, made up of free, self-determining persons: a community of self-reliance, in which independence is made possible by mutual cooperation, and in which community is aimed at self-development.

Concerning both poverty and behavioral dependency, the entire nation can do better. The reports of the past few months show that many now agree on the basic principles for

doing better. What we need is to put these principles into concrete practice, at every appropriate level and in every locality. The children of the needy, especially, depend on us.

NOTES

Notes

INTRODUCTION: A NEW PUBLIC CONSENSUS

1. Daniel Patrick Moynihan, "Beyond Welfare," Statement before the Senate Subcommittee on Social Security and Family Policy, 23 January 1987 (mimeo), p. 5; the demographer quoted by the Senator was Samuel Preston.

PART ONE: STARTING PLACES OF THE NEW CONSENSUS

Chapter One: A Community of Self-Reliance

1. See Charles Murray with Deborah Laren, "According to Age: Longitudinal Profiles of AFDC Recipients and the Poor by Age Group," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 23 September 1986 (mimeo). This study, commissioned by the Working Seminar, involved a close analysis of the Panel Study of Income Dynamics (PSID) at the University of Michigan. Murray reports as follows:

> The PSID reveals with striking clarity that the requirements for getting out of poverty in this country are so minimal that it takes a mutually reinforcing cluster of behaviors to remain in poverty, even if you are black and even if you are female. If you follow a set of modest requirements, you are almost surely going to avoid poverty.
>
> These requirements for a male, black or white, are to go to a free public school and complete high school. Get into the labor market and get a job, any job, and stick with the labor market. Do so, and the odds that you will be poor are small. If you are poor, the odds that you will not only get out of poverty but get comfortably out of poverty are very large. Consider: Of all men ages 20-64 with just a high school education, only six-tenths of one percent were in poverty in 1970. Even for blacks, only 4.7 percent of male heads of household with just a high school education were even in near-poverty by 1980. Among adult males with just a high school education of all races, 91 percent

> had family incomes greater than twice the poverty level. Among adult black males, 86 percent had family incomes greater than twice the poverty level....
>
> For women, the aggregate odds are not so different. Again using adult women with just a high school education as the benchmark, only 2 percent of all of them were in poverty as of 1970. For black women, the figure was much higher: 8.5 percent. But it is higher primarily by comparison. How many people, asked to estimate the economic status of black women with just a high school education, would have had the temerity to assert that more than 90 percent are above the poverty line?

2. Alice M. Rivlin, ed., Economic Choices 1984 (Washington, D.C.: The Brookings Institution, 1984), p. 2.

3. According to Census figures, only 59.7 percent of U.S. homes had their own indoor flush toilets in 1940; by 1980, only 2.7 percent lacked complete indoor plumbing. U.S., Department of Commerce, Bureau of the Census, Sixteenth Census of the United States, 1940: Housing, vol. 2, table 7A; idem, Current Housing Reports, H-150-80, Annual Housing Survey: 1980, part E: Urban and Rural Housing Characteristics (Washington, D.C.: U.S. Government Printing Office, 1983), table A-1.

4. U.S., National Center for Health Statistics, Vital Statistics of the United States, (annual).

5. Public Health Service, Indian Health Service, Chart Series Book April 1986, p. 22.

6. Mary Jo Bane, "Testimony Before the House Select Committee on Hunger," 5 August 1986.

7. U.S., Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, Number 154, Money

Income and Poverty Status of Families and Persons in the United States: 1985 (Advance Data from the March 1986 Current Population Survey) (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Money Income and Poverty Status 1985), table 16.

8. U.S., Department of Commerce, Bureau of the Census, Technical Paper 56, Estimates of Poverty Including the Value of Noncash Benefits: 1985 (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Estimates of Poverty Including Noncash Benefits 1985), table A; and U.S., Social Security Administration, Annual Statistical Supplement to the Social Security Bulletin (Washington, D.C.: U.S. Government Printing Office, 1986).

9. Estimates of Poverty Including Noncash Benefits 1985, table 4. In the Census Bureau methodology, the value assigned to medicare and medicaid benefits is not their cost to the government -- which would be unfair to persons with high medical costs -- but rather the value to the individual of an equivalent private insurance policy. For the methodology by which medical and other noncash benefits are valued, see the Introduction to Estimates of Poverty Including Noncash Benefits 1985.

10. Calculated from Money Income and Poverty Status 1985, table 21.

11. Counting both means-tested and non-means-tested aid, the non-cash benefit total (in 1985 dollars) was $6.4 billion in 1965; $127 billion in 1985. U.S., Department of

Commerce, Bureau of the Census, Technical Paper 57, Estimates of Poverty Including the Value of Noncash Benefits: 1979 to 1982, table A; and Estimates of Poverty Including Noncash Benefits 1985, table A.

12. Money Income and Poverty Status 1985, table 16; and Estimates of Poverty Including Noncash Benefits 1985, table 1.

13. Money Income and Poverty Status 1985, table 18.

14. Daniel Patrick Moynihan, "Welfare Reform's 1971-72 Defeat: A Historic Loss," Journal of the Institute for Socioeconomic Studies, 6 (Spring 1981):8. See also Karl Zinsmeister, "The Poverty Problem of the Eighties," Public Opinion, June/July 1985.

15. U.S., National Center for Health Statistics, Vital Statistics of the United States, (annual). In AFDC families, for instance, 46 percent of children under 18 were born to unmarried mothers. U.S., Department of Health and Human Services, Family Support Administration, Office of Family Assistance, Recipient Characteristics and Financial Circumstances of AFDC Recipients, (mimeo), 1983 (hereafter cited as 1983 AFDC Recipients Study), p. 2; also, table 15.

16. For a detailed discussion of these mutual obligations, see Lawrence Mead, Beyond Entitlement: The Social Obligations of Citizenship (New York: Free Press, 1986), chapter 2; and Mead, "The Work Problem in Welfare," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 11 October 1986 (mimeo).

17. See James Q. Wilson, "The Rediscovery of Character," The Public Interest 81 (Fall 1985): "In this country as well as in England, a variety of enterprises -- Sunday schools, public schools, temperance movements, religious revivals, YMCAs, the Children's Aid Society -- were launched in the first half of the twentieth century that had in common the goal of instilling a 'self-activating, self-regulating, all-purpose inner control.' ...We lack any reliable measure of the effects of these efforts, save one -- the extraordinary reduction in the per capita consumption of alcoholic beverages that occurred between 1830 (when the temperance efforts began in earnest) and 1850 and that persisted (despite an upturn during and just after the Civil War) for the rest of the century.... Some great benefits have flowed from... [the change from self-control to self-expression] but the costs are just as real, at least for those young persons who have not already acquired a decent degree of self-restraint and other-regardingness" (p. 13).

18. I. A. Lewis and William Schneider, "Hard Times: The Public on Poverty," Public Opinion, June/July 1985, table 1.

19. See Leslie Lenkowsky, Politics, Economics, and Welfare Reform: The Failure of the Negative Income Tax in Britain and the United States (Lanham, Maryland: University Press of America, 1986): "The way recipients (or potential recipients) have responded to particular programs has often been more significant than what the program is actually

designed to achieve. In the past, people have been thought to move from county to county, to quit their jobs, and to abandon their families in order to obtain higher benefits. In the Irish case, the availability of pensions even caused a portion of the population to 'become' older" (p. 35). For another view, see Michael B. Katz, In the Shadow of the Poor House: A Social History of Welfare in America (New York: Basic Books, 1986).

20. Ms. Carolyn Wallace, quoted on "The Vanishing Family -- Crisis in Black America," CBS Television, reported by Bill Moyers, 25 January 1986.

21. Money Income and Poverty Status 1985, table 16; Estimates of Poverty Including Noncash Benefits 1985, table 2.

22. The Social Policy Task Force, The Road to Independence: Strengthening America's Families in Need (Washington, D.C.: National Legislative Educational Foundation, 1986): "A primary goal of social policy must be to enable government to assist families and children -- and especially poor families and children -- in ways that help to strengthen these families. Any policy should have at its core the achievement of family self-sufficiency, the promotion and the health and well-being of children, and the elimination of barriers that keep people from reaching their potential" (p. 8).

23. See, for example, the report of the Domestic Policy Council's Working Group on the Family, Gary Bauer,

chairman, "The Family: Preserving America's Future," (mimeo). "Family" was the first of the five points Ronald Reagan stressed in his 1980 presidential campaign: "Family, work, neighborhood, peace, and freedom."

24. See, inter alia, Jack A. Meyer, ed., Ladders Out of Poverty: A Report of the Project on the Welfare of Families, Bruce Babbitt and Arthur Flemming, Co-chairs (Washington, D.C.: American Horizons, 1986); American Public Welfare Association and The National Council of State Human Service Administrators, One Child in Four (pamphlet, 1986); National Governors' Association, Welfare Prevention Task Force Report, (forthcoming); Irwin Garfinckel and Susan McLanahan, Single Mothers and Their Children: A New American Dilemma (Washington, D.C.: Urban Institute, 1986); and New York State Task Force on Poverty and Welfare, "A New Social Contract: Rethinking the Nature and Purpose of Public Assistance," submitted to Gov. Mario M. Cuomo, December 1986.

25. U.S., President, Public Papers of the Presidents of the United States (Washington, D.C.: Office of the Federal Register, National Archives and Record Service, 1953-), John F. Kennedy, 1962, "Special Message to the Congress on Public Welfare Programs," pp. 102-3.

26. U.S., Department of Commerce, Bureau of the Census, U.S. Census of Population, 1960, vol. 1; idem, Current Population Reports, Series P-20, No. 411, Household and Family Characteristics: March 1985, table F; idem,

Characteristics of the Population Below the Poverty Level: 1984, table 4; U.S., National Center for Health Statistics, Vital Statistics of the United States, (annual); Estimates of Poverty Including Noncash Benefits 1985, table 2.

PART TWO: WHO ARE THE POOR? WHO ARE THE DEPENDENT?

Chapter Two: Disaggregating the Poor

1. Richard P. Nathan, "The Underclass: Will It Always Be with Us?" paper presented at the New School for Social Research, 14 November 1986, p. 6 (mimeo).

2. See Leslie Lenkowsky, "The Concept of Poverty," paper presented at the American Enterprise Institute's Public Policy Week, December 1985 (mimeo): "Now and in the past, poverty has been thought of as a matter of insufficient resources, measured in terms of a 'poverty-line.' Those who lacked the requisite amount were deemed poor and worthy objects of public concern.... As a statistical construct for identifying the number of people with low incomes, this conception may still be helpful. But as a way of describing what is most important about the poor, it obscures at least as much as it reveals" (p. 2). See also John Weicher, "Mismeasuring Poverty and Progress," 15 April 1986, revised version of a paper presented at the American Enterprise Institute's Public Policy Week, Washington, D.C., December 1985 (mimeo); and U.S., House of Representatives,

Committee on Postal Service and Civil Service, Subcommittee on Census and Population, Summary of Remarks from meetings concerning poverty line, 6 August and 30 September 1986.

3. See Nicholas Eberstadt, "Economic and Material Poverty in Modern America," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 9 November 1986, pp. 38-39 (mimeo).

4. The federal government disbursed $56 billion in means-tested, non-cash benefits to the poor in 1985. See the discussion in part one, chapter 1, p. 20, supra. For general discussions of non-cash benefits, as well as technical discussions of issues relating to their valuation, see U.S., Department of Commerce, Bureau of the Census, Introductions to Technical Papers 50 through 56, 1982 through 1986.

5. See Eugene Steuerle, "The Tax Treatment of Households of Different Size," in Rudolph G. Penner, ed., Taxing the Family (Washington, D.C.: American Enterprise Institute, 1983); and Eugene Steuerle and Paul Wilson, "The Taxation of Poor and Lower Income Workers" in Jack A. Meyer, ed., Ladders Out of Poverty: A Report of the Project on the Welfare of Families, Bruce Babbitt and Arthur Flemming, Co-chairs (Washington, D.C.: American Horizons, 1986): "Low-income workers often receive little or nothing from transfer and welfare programs, and they usually fail to qualify for any favored tax category; by contrast, the non-working elderly, those who can defer income recognition,

or those with general nontaxable fringe benefits are more favorably treated with regard to tax preferences. When the implicit tax rates from the phasing out of welfare and other transfer programs are combined with the implicit and explicit tax rates in the direct tax programs, these low-wage workers often face higher marginal tax rates than most other groups in society" (p. 33). See also our discussion in part two, chapter 3, section 1, under "The husband-wife family," and accompanying notes 9 and 10.

6. U.S., Department of Commerce, Bureau of the Census, Technical Paper 56, Estimates of Poverty Including the Value of Noncash Benefits: 1985 (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Estimates of Poverty Including Noncash Benefits 1985), table 2.

7. See Greg J. Duncan et al., Years of Poverty, Years of Plenty (Ann Arbor, Michigan: Institute for Social Research, 1984). Charles Murray has shown that the income churning, while substantial, is not as arbitrary as it may seem. It is closely related to the changing educational and work experiences of persons as they age. He illustrates this point with his own personal economic history: he went from the bottom income quintile while a graduate student to the top quintile just seven years later when he began working. This fairly predictable and unexceptional pattern -- and its reverse later in life -- look like turmoil when viewed statistically. Charles Murray with Deborah Laren, "According to Age: Longitudinal Profiles of AFDC Recipients

and the Poor by Age Group," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 23 September 1986, p. 2 (mimeo).

8. Calculated from Characteristics of the Population Below the Poverty Level: 1984, table 28.

9. Calculated from U.S., Department of Commerce, Bureau of the Census, Current Population Reports, P-60, Number 154, Money Income and Poverty Status of Families and Persons in the United States: 1985 (Advance Data from the March 1986 Current Population Survey) (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Money Income and Poverty Status 1985), table 19.

10. Calculated from Characteristics of the Population Below the Poverty Level: 1983, table 23.

11. Calculated from Characteristics of the Population Below the Poverty Level: 1984, table 9.

12. Calculated from ibid.

13. Calculated from Characteristics of the Population Below the Poverty Level: 1983, table 21.

14. In 1984, 71 percent of nonpoor persons age 15 and over worked, compared to 41 percent of poor adults. (Another 6 percent said they wanted to work but were unable to find employment at any time during the year.) Forty-three percent of the nonpoor were employed full-time, year-round, versus 9 percent of the poor. The disparity in work patterns between the poor and nonpoor exists even if one excludes the elderly, disabled, and other population groups

who have trouble working. See Characteristics of the Population Below the Poverty Level: 1984, table 10.

15. The poverty rate for female-headed families is 34 percent. Derived from Money Income and Poverty Status 1985, table 16; Estimates of Poverty Including Noncash Benefits 1985, table 2.

16. U.S., Department of Health and Human Services, Family Support Administration, Office of Family Assistance, Recipient Characteristics and Financial Circumstances of AFDC Recipients, (mimeo), 1983 (hereafter cited as 1983 AFDC Recipients Study), p. 2; also, table 15.

17. According to Murray, of all men in the Michigan data base ages 20-64 with a high school education (but no more), less than 1 percent are poor. Even for black females, a high poverty group, only 8.5 percent are poor among those who simply complete high school. See Charles Murray with Deborah Laren, "According to Age," pp. 68 and 89.

18. Estimates of Poverty Including Noncash Benefits 1985, table 2.

19. U.S., Department of Commerce, Bureau of the Census, Statistical Abstract of the United States 1986 (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Statistical Abstract 1986), table 25.

20. Bruce Jacobs, "The Elderly: How Do They Fare?" paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 11 October 1986 (mimeo), p. 30. Jacobs later writes: "My own calculations

suggest that at least one-fifth of the elderly poor population could be brought out of poverty if they converted their home equity" to annual income (p. 32).

21. About 740,000 of the elderly lived in husband-wife families, 122,000 with other relatives. Another third of a million persons over 65, usually women, headed families of their own, presumably composed of relatives or in-laws, some 180,000 of them containing related children under 18. Characteristics of the Population Below the Poverty Level: 1984, table 11.

22. Ibid.

23. Estimates of Poverty Including Noncash Benefits 1985), table 2.

24. In 1984, over $10 billion was disbursed through Supplemental Security Income to over 4 million elderly and disabled individuals. U.S., Social Security Administration, Social Security Bulletin, (monthly).

25. The rest of the poor, unrelated individuals lived with non-relatives, 8 percent in group quarters, the rest in shared households. Characteristics of the Population Below the Poverty Level: 1984, table 16; and Money Income and Poverty Status 1985, table B.

26. In 1970 there were 15.0 million unrelated individuals in the U.S.; in 1985, 30.5 million. Statistical Abstract 1986, table 54; Money Income and Poverty Status 1985, table 20.

27. Characteristics of the Population Below the Poverty Level: 1984, table 8.

28. "As a group, singles suffer a higher rate of poverty than the elderly -- 20.9 percent compared to 14.4 percent in 1984 -- a reversal of the situation in 1970.... The poverty rate is highest among those 18-24, almost a third.... In New York State, which makes welfare available for single individuals on the same basis as it does for families, singles are the fastest growing group in the welfare population since 1980." Blanche Bernstein, Saving a Generation, (New York: Twentieth Century Fund, 1986), p. 11.

29. "In New York City they [singles] are disproportionately represented among the homeless. While detailed data are not available, general information and observation suggest that in this group those in poverty suffer from some degree of physical and mental disability, alcoholism, drug abuse, and other behavior problems (including criminal activity) but they were also hard hit by the recession of 1982-83 and the continuing high rate of unemployment." Bernstein, Saving a Generation, p. 11.

30. U.S., Department of Commerce, Bureau of the Census, Population Division, telephone inquiry, January 1986 (estimate is for July 1985).

31. U.S., Department of Commerce, Bureau of the Census, Current Population Reports, Series P-20, No. 409, School Enrollment: Social and Economic Characteristics of

Students, October 1985, table 6. U.S., Department of Defense, special estimate for December 1986 by Ms. Mary Orr, Defense Manpower Data Center.

32. U.S., Department of Labor, Bureau of Labor Statistics, Employment and Earnings, January 1986, table 3 in Annual Averages section. U.S., Department of Justice, special estimate for 1985 by Mr. Lawrence A. Greenfeld, Bureau of Justice Statistics.

33. Employment and Earnings, January 1986, table 834.

34. Ibid., tables 3, 4; U.S., Department of Labor, Labor Force Statistics Derived from the Current Population Survey, vol. I, Bulletin no. 2096, September 1986, tables A-3, A-10.

35. Marital Status and Living Arrangements: March 1984, table 1. Telephone conversation with Ms. Arlene Saluter, Marriage and Family Branch, U.S. Bureau of the Census, January 1987.

36. Richard B. Freeman and Harry J. Holzer, eds., The Black Youth Employment Crisis (Chicago: University of Chicago Press, 1986).

37. Richard B. Freeman, "Cutting Black Youth Unemployment: Create Jobs that Pay as Well as Crime," New York Times, 20 July 1986.

38. Sixty percent of black men 16-24 had no work experience in 1985. Employment and Earnings, January 1986, table 3 in Annual Averages section.

39. Freeman, "Cutting Black Youth Unemployment."

40. Ibid.

41. These included reading, working around the house, going to school, working or looking for work. In comparison, the category "Hanging Out/Friends/Bars/Parties" counted for 14.5 percent of the average individual's daily time budget. Freeman and Holzer, The Black Youth Employment Crisis, pp. 355-58.

42. Freeman, "Cutting Black Youth Unemployment."

43. Ibid.

44. Ibid.

45. Ibid. See also Richard B. Freeman, "The Relationship of Churchgoing and Other Background Factors to the Socio-economic Performance of Black Male Youths from Inner-city Tracts," in Freeman and Holzer, The Black Youth Employment Crisis.

46. Freeman, "Cutting Black Youth Unemployment." See also Robert I. Lerman, "Who Are the Young Absent Fathers?" Youth & Society, September 1986, pp. 3-27.

47. Ibid.

48. Ibid.

49. William Julius Wilson, "The Urban Underclass in Advanced Industrial Society," in Paul E. Peterson, ed., The New Urban Reality (Washington, D.C.: The Brookings Institution, 1985), p. 133.

50. The total population -- of all races -- living in poverty tracts in the biggest 100 cities comes to 5.2 million. Richard P. Nathan, "The Underclass: Will It Always

Be with Us?" p. 7. Most of the underclass can be found in an even more narrowly focused field. In the biggest 50 cities, there were 4.4 million persons in poverty tracts. Calculation by Richard Nathan and John Lago, personal correspondence. See also chapter 4, n. 1, infra. Douglas G. Glasgow writes: "The current size of the black underclass defies precise estimates. Some sources estimate as many as five to seven million persons." Douglas G. Glasgow, "The Black Underclass in Perspective," in Janet Dewart, ed., The State of Black America 1987 (Washington, D.C.: National Urban League, 1987), p. 131, citing "America's Underclass: Doomed to Fail in the Land of Opportunity," The Economist, 15 March 1986, p. 29.

51. Comparing 1970 and 1980 decennial census data for the nation's 50 largest cities, Nathan and Lago found that while these cities as a group lost population (5.1 percent), their poverty population grew by 11.7 percent. The white poverty population of these 50 cities declined by 18.3 percent between 1970 and 1980; on the other hand, the black poverty population increased by 18.0 percent. The number of poor blacks in poverty areas rose at an even faster rate -- 22.6 percent. The number of blacks in extreme poverty areas -- defined as census tracts having 40 percent or more people in poverty -- rose by 58.6 percent. Nathan and Lago, personal correspondence.

52. Ken Auletta writes: "[A]mong students of poverty there is little disagreement that a fairly distinct black

and white underclass does exist; that this underclass generally feels excluded from society, rejects commonly accepted values, suffers from behavioral as well as income deficiencies. They don't just tend to be poor; to most Americans their behavior seems aberrant." Ken Auletta, The Underclass (New York: Random House, 1982), p. 1 (emphasis in original). See also Glasgow, "The Black Underclass in Perspective."

53. Nathan, "The Underclass," p. 5.

54. Thomas F. Pettigrew, "Social Psychology's Potential Contributions to an Understanding of Poverty," in Vincent T. Covello, ed., Poverty and Public Policy: An Evaluation of Social Science Research (Boston: G.K. Hall, n.d.), p. 219.

55. Richard P. Nathan, "The Concentration of Poor People in Poverty Areas in the Nation's 100 Largest Central Cities," tables for Presentation to the New School for Social Research, 14 November 1986, p. 1.

56. Ibid., p. 3.

57. Ibid.

58. Glenn C. Loury, "Race and Poverty: The Problem of Dependency in a Pluralistic Society," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 10 November 1986 (mimeo), p. 4.

Chapter Three: The Poor Family

1. The other 0.5 million poor children (there were 13 million total) were either living in their own household (16-17 year olds) or with non-relatives. U.S., Department of Commerce, Bureau of the Census, Current Population Reports, P-60, Number 154, Money Income and Poverty Status of Families and Persons in the United States: 1985 (Advance Data from the March 1986 Current Population Survey) (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Money Income and Poverty Status 1985), table 16.

2. U.S., Department of Commerce, Bureau of the Census, Technical Paper 56, Estimates of Poverty Including the Value of Noncash Benefits: 1985 (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Estimates of Poverty Including Noncash Benefits 1985), table 2.

3. Ibid.

4. Money Income and Poverty Status 1985, table 16; Estimates of Poverty Including Noncash Benefits 1985, table 2.

5. Estimates of Poverty Including Noncash Benefits 1985, table 2.

6. Blanche Bernstein, Saving a Generation (New York: Priority Press Publications, 1986), pp. 9-10 and table A.1.

7. The prominent clinician and child development authority Yuri Bronfenbrenner has identified having both a mother and a father in the home as an important aid to healthy child development. Writing jointly with Maureen A.

Mahoney, he has summarized the research findings: "There is some evidence that wives without husbands differ from wives in intact families in their relationships to their children. They place more emphasis on obedience, politeness, and conformity (Tiller, 1959), and are slightly less encouraging of masculine behavior in their sons (Biller, 1969). To control their children, they use more extreme disciplinary practices, ranging from overprotectiveness to harsh power assertive techniques, but are frequently unsuccessful (Hetherington and Durr, 1970)." Yuri Bronfenbrenner and Maureen A. Mahoney, Influences on Human Development, 2nd ed. (Hinsdale, Illinois: Dryden Press, 1972), p. 421.

8. Estimates of Poverty Including Noncash Benefits 1985, table 2.

9. Eugene Steuerle, "The Tax Treatment of Households of Different Size," in Rudolph G. Penner, ed., Taxing the Family (Washington, D.C.: American Enterprise Institute, 1983), p. 74. According to other calculations by Steuerle and Paul Wilson, in 1975 a working, four-person family with a poverty level income received a tax refund (through the Earned Income Tax Credit) amounting to 4.55 percent of its income. By 1986, that same family had to pay income taxes equal to 3.26 percent of its income. Eugene Steuerle and Paul Wilson, "The Taxation of Poor and Lower Income Workers" in Jack A. Meyer, ed., Ladders Out of Poverty: A Report of the Project on the Welfare of Families, Bruce Babbitt and

Arthur Flemming, Co-chairs (Washington, D.C.: American Horizons, 1986), pp. 49-50.

10. In 1986, a working, four-person family at one-half the median income paid 14.3 percent of its income in social security taxes. This compares to 11.7 percent in 1976, 8.4 percent in 1966, and 4.0 percent in 1956. See Steuerle and Wilson, "The Taxation of Poor and Lower Income Workers," table 6. See also part two, note 5, supra. When both state and federal income taxes as well as payroll taxes (including all social security withholdings) are considered, a working, four-person family at the poverty level is today paying over 19 percent of its earnings in taxes. Welfare recipients, of course, avoid these taxes altogether. On this, see Robert D. Reischauer, "Welfare Reform and the Working Poor," paper prepared for inclusion in Reducing Poverty and Dependency, (forthcoming in 1987 from the Center for National Policy), pp. 12-13 (mimeo).

11. Money Income and Poverty Status 1985, table 1.

12. John Weicher and Susan Wachter, "The Distribution of Wealth among Families," paper presented to the Working Seminar on the Family and American Welfare Policy, 10 November 1986.

13. National Urban League, The State of Black America 1986 (Washington, D.C.: National Urban League, 1986).

14. Money Income and Poverty Status 1985, table 1; U.S., Department of Labor, Bureau of Labor Statistics, Handbook of Labor Statistics, (annual).

15. Bernstein, Saving a Generation, pp. 7-8.

16. Kristin A. Moore and Martha F. Burt, Private Crisis, Public Cost: Policy Perspective on Teenage Childbearing (Washington, D.C.: The Urban Institute, 1981).

17. U.S., Department of Commerce, Bureau of the Census, Current Population Reports, Series P-20, No. 411, Household and Family Characteristics: March 1985 (Washington, D.C.: U.S. Government Printing Office, 1986), table 3, and earlier years.

18. 13 percent are Hispanic, 1 percent Native America, 1.5 percent Asian. 1983 AFDC Recipients Study, p. 1.

19. Household and Family Characteristics: March 1985, table 9; and U.S., Department of Health and Human Services, Family Support Administration, Office of Family Assistance, Recipient Characteristics and Financial Circumstances of AFDC Recipients, (mimeo), 1983 (hereafter cited as 1983 AFDC Recipients Study), p. 1.

20. Household and Family Characteristics: March 1985, table 12.

21. Money Income and Poverty Status 1985, table 19.

22. U.S., National Center for Health Statistics, Vital Statistics of the United States, (annual).

23. Ibid.

24. Calculated using 1985 poverty rates and 1959 family composition from Money Income and Poverty Status 1985, table 16. See also Michael Novak, "On Social Invention: Some Reflections on the Relationship between Family

and Poverty," Yale Law and Policy Review 4 (Fall/Winter 1985):88-89.

25. U.S., Department of Commerce, Bureau of the Census, "Changing Family Composition and Income Differentials," Gordon Green and Edward Welniak, August 1982 (pamphlet).

26. Money Income and Poverty Status 1985, table 18.

27. Characteristics of the Population Below the Poverty Level: 1984, table 15.

28. Estimates of Poverty Including Noncash Benefits 1985, table 2.

29. Ibid.

30. Bernstein, Saving a Generation, p. 3.

31. U.S., National Center on Child Abuse and Neglect, National Analysis of Official Child Abuse and Neglect Reporting (1978) (Washington, D.C.: U.S. Government Printing Office), p. 36, table 28. This is the last year for which reliable data are available.

32. J. Goldstein, A. Freud, and A. Solnit, Before the Best Interests of the Child (New York: The Free Press, 1980), p. 13.

33. American Public Welfare Association and The National Council of State Human Service Administrators, One Child in Four (pamphlet), p. 9.

34. Charles Krauthammer, "Teen-Age Sex: The Battle Is Lost," Washington Post, 5 December 1986.

35. Again, 46 percent of the 7 million children covered by AFDC in 1983 had parents not joined in wedlock. 1983 AFDC Recipients Study, p. 2; also, table 15.

36. Daniel Patrick Moynihan, "Beyond Welfare," Statement before the Senate Subcommittee on Social Security and Family Policy, 23 January 1987 (mimeo), pp. 5-7.

Chapter Four: Other Behavioral Dimensions

1. According to the 1980 Census, 31 percent of the poor lived in the nation's 100 largest central cities, 26 percent in the biggest 50 cities, and 19 percent in the top 20. See U.S., Department of Commerce, Bureau of the Census, U.S. Census of Population 1980: Subject Reports: Poverty Areas in Large Cities (Washington, D.C.: U.S. Government Printing Office, 1985), table 1.

2. U.S., Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, Number 154, Money Income and Poverty Status of Families and Persons in the United States: 1985 (Advance Data from the March 1986 Current Population Survey) (Washington, D.C.: U.S. Government Printing Office, 1986) (hereafter cited as Money Income and Poverty Status 1985), table 18.

3. Characteristics of the Population Below the Poverty Level: 1983, table 9.

4. See Charles Murray, "White Trash," National Review, 28 March 1986.

5. Characteristics of the Population Below the Poverty Level: 1983, table 9.

6. The geographical distribution of children from all income groups, is as follows. In center cities: 22 percent of white children, 54 percent of blacks; in suburbs: 43 percent of white children, 21 percent of blacks; in rural areas: 36 percents of white children, 25 percent of blacks. See Characteristics of the Population Below the Poverty Level: 1983, table 9.

7. Ibid.

8. Ibid., table 23.

9. Ibid.

10. Ibid.

11. Ibid.

12. Ibid.

13. Interview with Judy Mann, Washington Post, 6 November 1985.

14. See Charles Murray, "White Trash." See also Lowell Gallaway and Richard Vedder, Heartland Policy Study, The "New" Poverty: Consequences of Past Policy (Chicago: Heartland Institute, 1986).

15. Fewer than half of the women who go onto AFDC are off within two years. Of those who remain into the third year, 60 percent will be on at least six years. See Mary Jo Bane and David Ellwood, "The Dynamics of Dependence: The Routes to Self-Sufficiency," prepared for the Assistant

Secretary for Planning and Evaluation, Department of Health and Human Services, June 1983 (mimeo).

16. Lawrence Mead, "The Work Problem in Welfare," paper presented at the Working Seminar on the Family and American Welfare Policy, Washington, D.C., 11 October 1986, p. 1 (mimeo).

17. Sheldon Danziger and Peter Gottschalk, "Poverty and the Underclass," Testimony before the House Select Committee on Hunger, U.S. , 5 August 1986.

18. Other explanations given by the working-age poor as their main reason for not working: Ill or disabled; 19 percent; keeping house, 36 percent; going to school, 23 percent; retired, 4 percent; other, 4 percent. Derived from Money Income and Poverty Status 1985, table 18; Characteristics of the Population Below the Poverty Level: 1984, table 10. See also Mead, "The Work Problem in Welfare," pp. 3-4.

19. Characteristics of the Population Below the Poverty Level: 1984, table 21.

20. Seventy-three percent of nonpoor mothers with children under 18 worked, full- or part-time, for some period in 1984, 40 percent of them full-time for 40 weeks or more. In contrast, 39 percent of poor mothers worked some; only 9 percent worked full-time most of the year. Ibid.

21. See Lawrence Mead, "Work and Dependency Part I: The Problem and Its Causes," paper written for the Welfare Dependency Project of the Hudson Institute, September 1986, p. 4 (mimeo). Some part of the gap in work effort between

the poor and the nonpoor may also be illusory -- a function of the movement of some poor into unreported or underground work. See part two, chapter 4, note 34, infra.

22. See Lawrence Mead, "Work and Dependency," Part One, pp. 8-30; Money Income and Poverty Status 1985, table 18; and Characteristics of the Population Below the Poverty Level: 1984, table 10.

23. Lawrence Mead, "The Work Problem in Welfare," p. 3.

24. U.S., Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, December 1986, table 10.

25. The total number of jobs in the country has gone from 79 million in 1970 to 110 million in 1986 -- a 40 percent increase in 16 years. The labor force participation rate has risen from 60 percent to 66 percent of all adults over the same period. In the last two decades, the number of persons earning a paycheck has increased twice as fast as the population. See Handbook of Labor Statistics, and U.S., Department of Labor, Bureau of Labor Statistics, "The Employment Situation," (monthly).

26. See Joel F. Handler and Ellen Jane Hollingsworth, The "Deserving Poor": A Study of Welfare Administration (New York: Academic Press, 1971), p. 182; and Richard B. Freeman and Harry J. Holzer, "Young Blacks and Jobs: What We Now Know," The Public Interest, Winter 1985, p. 27.

27. Mead, "The Work Problem in Welfare," pp. 4-7.

28. David T. Ellwood, "The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?", in Richard B. Freeman and Harry J. Holzer, eds., The Black Youth Employment Crisis (Chicago: University of Chicago Press, 1986), chapter 4.

29. Mead, "The Work Problem in Welfare," pp. 7-8.

30. American Public Welfare Association, "Family Investment Plan: Questions and Answers," December 1986, (mimeo).

31. Fortune, 2 February 1987.

32. Mead, "The Work Problem in Welfare," p. 21: "Recipients themselves accept the work test. Strong majorities regard the requirement as just, and most feel positively about their work experience." The evidence that most welfare recipients accept work requirements is summarized in Judith M. Gueron, Work Initiatives for Welfare Recipients (New York: Manpower Demonstration Research Corporation, 1986), pp. 13-14.

33. See U.S., Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey: 1984, August 1986.

34. Some studies suggest that the underground economy now comprises 10-15 percent of GNP. For an informal discussion see Ben J. Wattenberg, The Good News Is the Bad News Is Wrong (New York: Simon and Schuster, 1984), pp. 142-145. As regards the poor more specifically, one close analysis of the Michigan longitudinal study of women who were on AFDC in the 1970s shows that 24 percent of the black women still on

AFDC in 1980 were earning more than $6,000. To earn more than $6,000 and still receive substantial payments from AFDC requires some explanation. Possibly, some women had large numbers of dependent children; more likely, women were working without reporting it to the welfare office. See Murray, "According to Age," p. 55.

35. The 1984 survey by the Bureau of Labor Statistics, based on complete income figures submitted by several thousand nationally representative households, shows that the poorest 20 percent of households had average reported annual income before of $3,200 and annual expenditures of $10,800. U.S., Department of Labor, Bureau of Labor Statistics, 1984 Consumer Expenditure Survey, (pamphlet).

36. The index is based on the Department of Agriculture's 1961 Economy Food Plan and reflects the different consumption requirements of families based on their size and composition. It was determined from the Department of Agriculture's 1955 Survey of Food Consumption that families of three or more persons spend approximately one-third of their income on food; the poverty levels for these families was, therefore, set at three times the cost of the Economy Food Plan. For smaller families and persons living alone, the cost of the Economy Food Plan was multiplied by factors that were slightly higher in order to compensate for the relatively larger fixed expenses of these smaller households. The poverty thresholds are updated every year to reflect changes in the Consumer Price Index.