POVERTY, INEQUALITY AND PUBLIC POLICY

PUB POL 736 POLITICAL SCIENCE 736
FALL 2010

Professor Mary Corcoran
406 Lorch Hall 764-9517
Office Hours: Tuesday 11:00-12:00, 1:15-2:15
Other times by appointment
Website:
http://www.ctools.umich.edu

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

What is poverty? Why is poverty so persistent? Why are poverty rates for minorities so high? Is there a culture of poverty? What are the interrelationships among poverty, family structure, inner city neighborhoods, education, labor market conditions, and public policies? Is poverty passed on from generation to generation?

The first nine weeks of this course (Topics 1-7) focuses on social science theory and evidence about the causes, consequences and costs of poverty. The last five weeks of the course (Topics 8-11) examine child poverty policies, family policy, the health care bill, and education policy (2 sessions).

Class Assignments: Masters students and first-year doctoral students are required to write eight short papers and participate in one in-class group presentations. Advanced doctoral students are required to write nine short papers and a research proposal.

Short Paper Requirements (All Students)

Students are required to write short (2-4 typed pages) papers on the topic areas 2-11. All students must write papers on Topics 2, 4, 5, and 7 (Sept 24, Oct 15, and Oct 29). Five papers must be on topics 1-7. Two papers must be on topics 8-11. Masters and first-year doctoral students cannot write any of their required short papers on their group presentation topic. Each paper should cover a single week’s required readings. Papers are due on the days readings are required. No late papers will be accepted. If you wish to do two separate papers on one topic’s set of readings, this is permissible. The second paper can count toward your total number of required papers. The second paper can be turned in one week later than the first paper.

What should these short papers cover? At the end of each topic, there is a list of discussion questions. You could choose to write on one of these questions. You could also choose your own topic. But papers must be informed by the readings.
Joint Class Presentation Requirement (Masters students and first-year doctoral students)

Students are also required to make a joint class presentation and lead a discussion group on that presentation once during the last four weeks of the course. Students will be assigned to one of four policy groups on October 8. The students in each group will cover the arguments and evidence for and against a particular set of proposals for reducing/eliminating child poverty, supporting families, the health care bill, or reforming education. The content and structure of the presentation is up to the student group. You can choose to cover all the policy options considered in a week’s readings. Or you can intensively focus on one or two options. For example, the education policy readings (Topic 11) cover Merit Pay, Improving Teacher Quality, Obama’s Race to the Top, NCLB, Charter Schools… You could choose to focus on one area - for example the charter schools - or on all areas. Similarly, you could choose a briefing format, debate format, role-playing interactive format, a TV-show format, etc. There are two requirements. There should be an hour put aside for questions/discussion from the class. As part of the presentation students should prepare a jointly written, 1-2 page outline of the major issues and arguments as well as a short list of discussion questions for the class. These should be handed out to the class at the beginning of the presentation. Students cannot write a short paper on their group presentation topic.

Research Proposal Requirement (Advanced Doctoral Students)

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

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

**October 1:** Email me a brief description of your proposed topic and research question. Hand in a hard copy version in class. After class, make an appointment with me to discuss the topic.

**October 4-7:** Individual appointments with doctoral students.

**November 5:** Submit a revised research question, and a 5-10 page focused literature review of research relevant to that question. This review should include a brief discussion of how answering your question will add to what is already known and a brief
outline of kinds of evidence you will use to answer the question. Hand in a hard copy in class and email me an electronic copy.

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

**Laptop Policy:** *No laptops allowed in class.*

**Discussion Requirements (All Students):**

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

**Grading:**

Masters and first-year doctoral students’ grades will be based on the short papers (65 percent), class discussion (10 percent) and the class presentation (25 percent). Advanced doctoral students’ grades will be based on the short papers (40 percent), class discussion (10 percent), and research proposal (50 percent).

**Grading of Class Participation:**

Listening is as important as speaking in class participation. Regular class attendance is necessary to achieve full credit for class participation. Each student will be asked to summarize a required reading once during the term and to critique a required reading at least once during the term. Students who are more comfortable listening than talking can receive full credit for class participation.

**Readings**

Required readings are marked with an *. All required readings on a topic area should be read on the day lectures on that topic begin. Most required papers/articles are available from the web. Required articles not available on the web have either been put on reserve in the 3120 Weill Hall, or in the online course pack at: http://www.ctools.umich.edu

Six paperback books are required for the course:

W. J. Wilson, *More Than Just Race.*

M. Cancian and S. Danziger (eds), *Changing Poverty, Changing Policies*

K. Newman, *No Shame in My Game*


B. Western, *Punishment and Inequality in America*

**Interesting Web Sites:**


Asst. Secy. of HHS for Planning and Eval.: __________________________ http://aspe.os.dhhs.gov


Census Bureau: _________________________________________________ http://www.census.gov

Center on Budget and Policy Priorities: ____________________________ http://www.cbpp.org

Center for Law and Social Policy: _________________________________ http://www.clasp.org


Future of Children ______________________________________________ http://www.futureofchildren.com

Heritage Foundation: _____________________________________________ http://www.heritage.org

Institute for Research on Poverty: _________________________________ http://www.ssc.wisc.edu/irp

Joint Center for Poverty Research _________________________________ http://www.jcpr.org

Manpower Demonstration Research Corporation: _____________________ http://www.mdrc.org

Michigan Program on Poverty and Social Welfare Policy:
____________________________ http://www.ssw.umich.edu/poverty/pubs.html

National Poverty Center: _________________________________ http://www.npc.umich.edu

Urban Institute: _________________________________________________ http://www.urban.org


Welfare Law Center: _____________________________________________ http://www.welfarelaw.org

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TOPIC 1. THE MEASURE OF POVERTY, SHORT-RUN VS. LONG-RUN POVERTY, WHO IS POOR, TRENDS IN POVERTY AND INEQUALITY, AND TRENDS IN WAGES AND EMPLOYMENT (SEPTEMBER 10 AND 17)

Part I. Concepts and Measures of Poverty (Sept. 10)

Definitions of poverty/economic disadvantage embody assumptions about what is necessary to insure full participation in a society. These assumptions guide the design of public policies—tax policies, education policies, labor policies, anti-poverty policies. Measures of poverty are used to set criteria for program eligibility (e.g., Food Stamps) and to monitor the effectiveness of anti-poverty interventions. The U.S. measure of poverty is an absolute measure based on family size that is updated annually for inflation. Europeans have a broader conception of economic disadvantage which encompasses social exclusion on multiple dimensions. When analysts compare poverty rates across countries they typically use a relative income-based measure of poverty—e.g., incomes less than half the national median income.

*Changing Poverty, Changing Policies, Ch. 14, R. Haveman. “What Does it Mean to be Poor in a Rich Society?”


Part II: Short-Run Poverty, Long-Run Poverty, and Intergenerational Poverty (Class Lecture, Sept. 17)

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


Part III: Who is Poor, Trends in Economic Growth, Economic Inequality, and Poverty (Class Lecture, Sept. 17)
Which demographic groups have consistently high rates of poverty? Has this changed over time? Economic growth was very slow between 1972 and 1993, and economic inequalities widened during the 1980’s expansion. Between 1993 and 2000, the U.S. experienced a sustained economic expansion. This was followed by a brief recession in 2001-2002, a period of slow economic growth, 2003-2007 in which income gains were high at the very top income group and minimal for all other groups and finally by a deep recession. Did the 1990’s economic boom benefit all income and race-ethnic groups? Did it reduce inequality and poverty? Inequality and poverty did not drop much in the 2003-2007 period of slow growth and poverty rose in the “great recession” which began in 2008.


Part IV: Trends in Employment and Wages (Lecture, Sept. 17)

In the 1980’s, earnings inequalities widened between the highly educated and those with less education and between those in the top earnings quintile and those in bottom earnings quintile. Also, during the 1980’s, the incidence of non-work rose among prime-age men, especially young men with low levels of schooling, and young Black men; and the black/white hourly wage gap widened. Between 1993 and 2004, the college earnings premium continued to rise, earnings inequality rose for the top half of the earnings distribution but did not increase for the bottom half of the earnings distribution. During the 1993-1999 economic expansion, unemployment decreased, but large minorities of working-age low-skilled men remained disconnected from work.

Mean real wages were essentially flat for men between 1975 and 1993 and then rose by 14 percent between 1993 and 2003. Mean real wages for women increased steadily (by 46 percent) from 1975 to 2002. As a result sex-based wage gaps dropped over this period.


**DISCUSSION QUESTIONS – TOPIC 1**


2. Did all income groups benefit equally from economic growth in the Reagan, Clinton, and Bush economic expansions? Who benefited most in each expansion? Who benefited least or lost ground?

3. Discuss race-based differences in poverty - one-year, long-run, and intergenerational. (Blank; Corcoran).

4. How is the Orshansky measure of poverty constructed? Discuss one, some, or all of the following criticisms of the measure: taxes should be subtracted out; geographic areas vary in living costs; work expenses should be included; the measure should be a relative one; in-kind transfers should be included; it should be updated for changes in consumption patterns; leisure time should be given some weight; out-of-pocket health care expenditures should be included; position in the life cycle is important. How would you design an improved measure? Would changing the poverty measure affect the demographic profile of the poor?

5. There is considerable disagreement over how one should appropriately measure poverty. Two proposed alternatives include: (1) widening the concept to social exclusion and using multiple indicators; or (2) keeping an absolute measure but changing what counts as resources (income), how poverty thresholds (needs) are defined, and/or how inflation is adjusted for. Discuss the pros and cons of using one of these alternatives rather then the current poverty measure. (Haveman)

6. How common is one-year poverty? How common is long-term poverty? How do the demographic characteristics of the long-term poor compare to those of the short term poor and to those of the general population? Should different programs and policies be designed to address the long-term poor and the short-term poor, or can both benefit from the same policies? Explain (see Blank).

7. Social inclusiveness measures focus on the moral and ethical responsibility of government while absolute measures focus on the economic safety net. Do you agree? Explain. (Haveman).

8. What happened to returns to education and the college wage premium since 1980? How do Goldin and Katz explain this?

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

This is an important section. *All students must read More Than Just Race and write a paper which discusses and evaluates Wilson’s model.*

**Part I. Early Cultural Models**

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


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


*W.J. Wilson, 2009 More Than Just Race.*

**DISCUSSION QUESTIONS: Topic 2**

1. Read, review and evaluate the model of inner city poverty outlined in Wilson (2008) and in Wilson’s book. Pay particular attention to the roles played by job opportunities, work, black middle class migration, industrial structure, community structure and organization, discrimination, and culture. What does this model imply for poverty policy?

2. What are the roles of race, space and class in Wilson’s model?

3. What is the role Wilson assigns to discrimination in his model? Are Wilson’s arguments about discrimination well supported by his evidence and reasoning? Explain.

**Topic 3. Street Culture and Decent Culture, Has Work Disappeared from the Inner City? Who is Working in the Inner-City? (Oct. 1)**

**NOTE TO MASTERS AND 1ST YEAR DOCTORAL STUDENTS:** The first group presentation is Nov. 12. We will assign groups on Oct. 8. You should decide on your 1st and 2nd choice group topics prior to class.

**NOTE TO ADVANCED DOCTORAL STUDENTS:** A brief memo describing your proposed topic and research question is due today. At the end of class you should schedule a meeting with me for next week.


**DISCUSSION QUESTIONS: TOPIC 3**

1. How consistent are Anderson’s model of “street” and decent cultures and John Turner’s story with Wilson’s model? Does Turner lack job skills and a work ethic? Can he negotiate with public officials – judges and patrol officers? Does he support his children? Is Turner caught between the “street” and the “decent” cultures? Are Turner’s options limited by discrimination – either in his interactions with the courts or with colleagues at work? Explain.

2. Discuss No Shame in My Game. Evaluate Wilson’s arguments about work in inner cities in light of Newman’s data. How, if at all, might you change or expand Wilson’s model to deal with the Newman findings?


4. How much upward mobility is there among low-wage workers? Evaluate Newman’s (Chutes and Ladders) evidence on this issue. What, if any does Newman identity as key paths to mobility?

**TOPIC 4. THE UNDERGROUND ECONOMY (OCT. 8)**

Residents in Venkatesh’s very poor inner-city neighborhood employ a variety of strategies – both licit and illicit – to “get by”. There are distinct understandings about dispute resolution and distinct reciprocal networks of support. But this support may come at a cost.

**All students must write a paper on Off the Books.**


**DISCUSSION QUESTIONS: TOPIC 4**

1. Wilson describes the inner-city poor as socially isolated. Is that true of the community Venkatesh portrays? If yes, explain how Venkatesh’s evidence shows social isolation. If no, explain how his evidence shows connections and networks.

2. Wilson describes the inner-city as disorganized and as having few social mechanisms. Are Venkatesh’s portrayals of dispute settlement and grievance processes consistent with Wilson’s model of “social isolation”?

3. One resident uses a “fish tank” metaphor. What was meant by this?

4. Describe patterns of connection, helping, and reciprocity in Venkatesh’s book. What are the strengths of these? What are the weaknesses?

5. Residents develop a number of survival strategies. Describe. Do these strategies inhibit individual mobility? If yes, how?

**TOPIC 5. PRISONS AND WORK (OCT 15)**

All students must write a short paper on *Punishment and Inequality in America*. Starting in 1980, incarceration rates have soared in the U.S. In 2008, more than one in every 100 adults and one in every nine black men ages 20-34 were behind bars. The U.S. incarceration rate in 1993 was 5 to 10 times higher than those in Western European countries and the black U.S. incarceration rate was 20 times higher than European incarceration rates. Over 30 percent of black men born in the late 1960’s who had a high school diploma or less had been incarcerated by 1999.


*Bruce Western. 2006. Punishment and Inequality in America, Chapters 1, 4, and 5, pages 11-33, 85-130.


**DISCUSSION QUESTIONS: TOPIC 5**

1. How have incarceration rates changed? Which groups have been most affected by these changes? How have these changes affected inequality? What factors does Western (2006) cite as accounting for trends in incarceration?

2. What does Western mean when he says that the prison boom has led us to underestimate racial inequalities in employment and earnings? Is his reasoning and evidence convincing? Why or why not?

3. What are the consequences of incarceration for men’s long-run employment and earnings? Discuss and assess Western’s, Raphael’s, and Pager’s arguments and evidence on this issue.

**TOPIC 6. EDUCATION AND POOR CHILDREN (OCT 22) GUEST SPEAKER: BRIAN JACOB**


http://muse.jhu.edu/journals/future_of_children/v017/17.1murnane.html


* http://www-personal.umich.edu/%7Ebajacob/files/Miscellaneous/improving%20educational.1.PDF

**TOPIC 7. WHY DON’T LOW-INCOME WOMEN MARRY? (OCT. 29)**

Over an individual’s lifetime, his or her family alters constantly. Individuals leave home, marry, separate, bear children, move in with relatives—each of these events can alter the family’s economic well-being...especially for women and children. Family structure is strongly related to child poverty.

In 2006, 26.6 percent of all white non-Hispanic births were out-of wedlock, 49.9 percent of all Hispanic births were out-of-wedlock and 70.7 percent of non-Hispanic African American births were out of wedlock. Six out of ten long-term poor children live in single mother homes. Many blame the growth in single parents as the cause of increased poverty, welfare dependence, crime and drug use. Why don’t women postpone child-bearing until after they marry?

NOTE: Everyone should read and write a paper on Promises I Can Keep.
http://www.hks.harvard.edu/ksgpress/bulletin/spring2006/features/mommy_gap.htm

M. Cancian and D. Reed. 2009. “Ch 4” Family Structure…” in Cancian and Danziger, 
Changing Poverty, Changing Policies.


(http://www. Economicmobility.org/assets/pdfs/Family_Structure.pdf)


“Marriage, Mobility, and Race.” The Economist, May 22. 2010, 15:47. 
(http://www.economist.com/blogs/democracyinamerica/2010/05/marriage_mobility_and_race/print)

http://www.inthesetimes.com/article/2162/

http://www3.interscience.wiley.com/journal/118756828/abstract
**DISCUSSION QUESTIONS: TOPIC 7**

1. Review the Edin and Kefalas book. Why do low income women put motherhood before marriage? Do you find Edin and Kefalas’ analyses convincing? What are the implications of their findings for marriage promotion policies?


3. Growing up poor is associated with economic hardships during childhood and has a strong negative association with children’s economic life chances. One reason children are poor is that their parents choose not to marry or to not stay married. Should the children bear the costs of this decision or should society intervene? If society could intervene, how might it do so? (DeLeire and Lopoo 2010, The Economist).

**TOPIC 8. POLICIES TO COMBAT CHILD POVERTY (NOV. 5)**


http://www.brookings.edu/papers/2008/~/media/F3088E86B55D4F56B316808A96419B8F.ashx


http://www.sciencemag.org/cgi/content/full/312/5782/1900

Jane Waldfogel. 2006. Britain’s War on Poverty. Introduction (pp 5-14, 17-21, Ch 6, pages 113-135, 141-144, Ch 8 pp 166-184) (Harvard University Press). (on reserve)


**TOPIC 9. CAN FAMILY POLICY REDUCE POVERTY? (NOV. 12)

The Bush Administration strongly pushed initiatives to strengthen marriage. (Rector and Purdue 2004) What do we know about marriage in low-income families? Do these processes differ by race? Does this research provide any guidance for developing policies to strengthen marriage? Is encouraging and strengthening marriage a sensible way to proceed? What other family policies might help poor children (Waldfogel)?


James Patterson. 2010. Freedom is Not Enough. Chs 10 and 11. (on reserve)


**TOPIC 10. HEALTH INSURANCE REFORM (NOV 19): GUEST SPEAKER: MATT DAVIS**


**TOPIC 11. EDUCATION POLICIES (DEC 3, DEC 10)**

Schooling is positively associated with adult economic success, and the economic returns to schooling and to skills rose sharply in the 1980s and continued to grow thereafter. One way to improve individuals’ economic prospects is via programs that promote skill development. This can include pre-school programs (e.g. Headstart), increasing resources to public schools (class size, teacher quality, funding), accountability (testing requirements for graduation, funding based on test score gains), and charter schools/vouchers. What does past experience with such programs tell us about their effectiveness?

**Part 1. Why Reform Education? Are Reforms Effective?**


J. Bendor, J. Bordoff, J. Furman. 2007. “An Education Strategy to Promote Opportunity,
Prosperity, and Growth,” Brookings Institution, Hamilton Project.  

http://www.nber.org/chapters/c11726.pdf (good overview of evidence on school reforms)

Part 2. Obama’s Race to the Top


Part 3. Improving Teacher Quality


Steven Glazerman, Daniel Mayer, and Paul Decker (2006) “Alternative Routes to Teaching: The Impacts of Teach for America on Student Achievement and Other Outcomes.”
Part 4. Merit Pay

http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/2f/4e/ca.pdf

http://web.missouri.edu/~podgurskym/papers_presentations/reports/Podgursky%20and%20Springer.pdf

http://www.nber.org/papers/w15655

Part 5. No Child Left Behind

* Dee, Thomas and Jacob, Brian (2009). “The Impact of No Child Left Behind on Student Achievement.” http://www.nber.org/papers/w15531

Part 6. Charter Schools

John E. Chubb and Terry M. Moe (1990). Politics, Markets and America’s Schools. Chapter 2 (pp 2-68) and Chapter 6 (pp.185-229).

http://www.nber.org/papers/w15549

http://www.columbia.edu/~msu2101/Urquiola%282005%29.pdf

http://www.economics.harvard.edu/faculty/fryer/files/hcz%204.15.2009.pdf

Part 7. Improving Access to College for the Poor