

The fate of the placid poor

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Abstract. In *Regulating the Poor* Piven and Cloward touched off controversy among academicians when they argued that the poor benefitted from civil turmoil. Those who believed that violence of any sort was wrong were inclined to believe that violence must also be ineffective. Studies done on the thesis repeatedly concluded that civil turmoil did help to advance the interests of the poor. Pluralists continued to argue that government responded to needs, not demands. For the twenty years following publication of *Regulating the Poor* nothing like the urban riots of the sixties occurred in U.S. cities. Piven and Cloward had argued that “a placid poor hardly constitute a political constituency whose interests must be taken seriously”.¹ To what extent has recent history shown that the state will respond to the needs of the poor even in the absence of turmoil?

The growth of the welfare state

The welfare state in the United States made significant gains during the twenty years following the urban riots of the sixties. Total spending soared during this period. For example, total social welfare expenditures as a percentage of the Gross National Product was 13.7% in 1969. By 1988 that figure had reached 18.5%.² Does this increase in the percentage of the GNP that is spent on the welfare state in the face of an almost total lack of civil turmoil put to rest the Piven-Cloward thesis? Are the pluralists correct when they argue that it is “need” and “capacity” that determines the level of social provision for the poor rather than the “demands” that are made by the poor?

Peter Gottschalk has pointed out that the U.S. not only increased the percent of the GNP that it spends on the welfare state but that there has been a substantial increase in the percentage of total federal expenditures on the welfare state. “Human resource programs”, he observes, “grew from 32.2 percent of federal outlays in 1966 to 49.9 percent of federal outlays in 1985”.³ Peterson and Rom found that the nation doubled its social welfare effort in the fifteen years between 1965 and 1980, increasing the share of the GNP allocated to social security, welfare assistance, medical services, and food stamps from 5 percent to 10 percent.⁴ It is this substantial increase in government spending on social welfare programs that the conservatives dwell upon in their argument against expanding programs for the poor.

Since “social welfare spending” has grown so significantly over the past twenty years, the conservatives argue that programs for the “poor” should be curtailed or cut back. But the reality is that the vast majority of “social welfare spending” goes to middle-class entitlement programs such as Social Security and Medicare and only benefits the “poor” to the extent that they can participate in these universal programs. For instance, increases in Social Security benefits have virtually eliminated poverty among the elderly and, to that extent, the growth of the welfare state has helped some of the poor. But, programs that target the poor, as we shall see, have not enjoyed the same political support as middle-class entitlement programs such as social security and medicare.

Indeed, Robert Greenstein observed that since the early 1960’s “social security and medicare have been responsible for all of the increase in federal spending as a proportion of the GNP”.⁵ Even the conservative Hoover Institute acknowledges that: “expenditures on programs targeted specifically on the poor make up only 15 percent of all social welfare spending”.⁶ The largest of the programs for the poor is Aid to Families with Dependent Children. This was the program that Piven and Cloward showed had increased dramatically following the urban riots and it was the independent variable in most of the research done on the Piven-Cloward thesis. How did AFDC fair during the past two peaceful decades?

Changes in AFDC

The decade following the urban riots of the sixties saw a winding down of civil turmoil. The war in Vietnam ended, Nixon was driven from office and the great social protests against war and racism were replaced by quieter protest against sexism and environmental abuse. The war in Vietnam ground to a halt and the War on Poverty faded into history. The poor, in general, became placid. During this decade there were substantial improvements in Social Security benefits, food stamps, low-income housing programs and medicare and medicaid. However, the purchasing power of the median AFDC check declined steadily during this period.⁷ While the former programs by and large kept up with inflation, the latter was allowed to stagnate.

There is some disagreement among poverty researchers about when the erosion in AFDC actually began. Peter Gottschalk found that cash assistance income programs started declining in 1973.⁸ June O’Neil places the start of the decline at three years later. “After 1976” she writes, “the total AFDC benefit package began to erode as states failed to raise AFDC cash benefit levels to keep pace with inflation.”⁹

Overall the decrease in the purchasing power of benefits was substantial. Piven and Cloward found that “the real value of their benefits fell by 30% during the 70’s and by 20% if food stamps are included.”¹⁰ It is clear, however, that while the Ford and Carter administrations began a process of erosion of AFDC benefits, the Reagan administration would accelerate this erosion during its eight years. Reagan came into office promising that a “safety net” (Social Security, Medicare and Supplemental Security Income) would not be touched, but that the “waste, fraud and abuse” of the “welfare queens” would be stopped. Indeed, the Reagan administration had very little impact on programs that benefitted the elderly, who are better organized than the poor and the disabled. Both of these latter groups would not fare as well as the elderly. Cutbacks in S.S.D.I. and S.S.I. programs under Reagan hurt the emotionally disturbed – in many cases resulting in homelessness – while benefits paid to retirees went un-touched. By the time Reagan left office, programs providing benefits to the poor had been significantly reduced.

AFDC in the nineties

There has been much talk among pluralists and conservatives that the Reagan “revolution” did not actually amount to very much and that the poor fared a lot better under Reagan than had been expected. Peter Gottschalk, for instance, maintains that Reagan’s budget cuts cannot be blamed for more than about half of the increase in poverty during his term. Higher unemployment and increased inequality of income, he states, were about as important as budget cuts.¹¹

How significant were the budget cuts in AFDC during the eighties? One measure of these cuts is the percentage of the GNP that was spent on cash assistance programs. Total spending on all “human resource programs” grew from 7.61 percent of the GNP in 1970 to 11.5 percent in 1980. By 1988 it had fallen back slightly to 10.51 percent of GNP.¹² In other words, Reagan’s impact on “human resource programs” was less than a 10 percent reduction and even with these cuts the total human resource programs were still much higher than they had been in 1970. It is this sort of statistic that undergirds the argument that “Reagan’s revolution” did not seriously hurt the welfare state in the U.S.

However, if we focus on programs for the poor, the picture is very different. Cash assistance programs accounted for 0.42 percent of the GNP in 1970. By 1980 – at the start of the Reagan presidency – that figure was already down to 0.26 percent. By the end of the Reagan years, 1988, the figure had hit 0.18 percent.¹³ The point here, again, is the impact of AFDC, the main cash assistance program. The decline of the percentage of GNP spent on

cash assistance payments under Reagan was over 30 percent. And that simply reflected a continuation of a decline begun earlier and amounting to a 57 percent decrease between 1970 and 1988. How did these draconian budget cuts affect the AFDC program?

One important method of cutting back on AFDC programs is tightening eligibility requirements. The decision that an AFDC applicant is "eligible" for assistance is the product of complex political and social interactions. For many poverty researchers the proportion of applicants found to be eligible is more significant than the level of support given to recipients as an indicator of changes in the political winds. One way to estimate the changes in the patterns of eligibility decisions is to compare the percentage of people living in poverty who are receiving AFDC benefits. Eligibility formulas vary from state to state and from one political atmosphere to the next. If the same eligibility formulas are used from one year to the next, then, in general, the percentage of people below the poverty level who were receiving AFDC should remain the same. An analysis of AFDC in the seventies and eighties reveals significant changes in eligibility patterns. For instance, in 1975, there were 25.9 million people living below the poverty level and 42 percent of them (11 million) were receiving AFDC.¹⁴ By 1990, there were 34 million in poverty¹⁵ and 33 percent of them (11.4 million) were receiving AFDC.

This is a very significant drop in the proportion of those living below the poverty level who receive AFDC, viz., from 42% to 33% in fifteen years. In other words, there was an almost 24 percent reduction in the percentage of those living under the poverty level who were eligible for AFDC benefits between 1975 and 1990.

In itself this reduction in the percentage of the poor eligible for AFDC would indicate a serious change in the attitude of the ruling regime toward social provision for the poor. But there is more. Even those who were ruled to be eligible for AFDC witnessed a significant erosion of the purchasing power of an AFDC check during this period.

During the Reagan years there was a net increase in the number of people living at or below the poverty level. There was also a serious erosion in the purchasing power of the average welfare check. In 1985 dollars, national monthly AFDC payments for a family of three dropped from \$ 520 in 1968, to \$ 366 in 1980 and to \$ 325 in 1985.¹⁶ In other words, the purchasing power of an AFDC check fell about 37 percent in the seventeen years between 1968 and 1985. This erosion led, in some cases, to personal disasters for recipients. In "Address Unknown", housing authority James Wright concluded: "Perhaps more to the point, the purchasing power of the welfare dollar has eroded so badly over the past twenty years that it is now impossible for many people

to sustain themselves in a stable housing situation on the average welfare payment".¹⁷

After explaining how middle-class entitlements had insulated some segments of the working class, Schwartz, Ferlauto and Hoffman pointed out that "the growing number of poor people were not so fortunate. They received fewer welfare benefits as well because of cutbacks in AFDC, food stamps, and child nutritional programs. The problems of unemployment, underemployment, and adequate welfare benefits have tended to accumulate in the 1980s for those at the bottom of the class hierarchy".¹⁸ During a period when total social welfare spending was increasing, the fate of the placid poor was ever increasing deprivation.

Even the definition of "poverty" may require considerably more deprivation in the nineties than it did thirty years ago. The reason is "the Orshansky measure" of poverty. In 1992 the typical poor family will spend about one sixth of its income on food. Forty years earlier the same family would have spent about a third of its income on food. The change has come about because of disproportionate increases in things like rent and utilities.¹⁹ Nonetheless, the official "poverty level" is still calculated the way it was when a government statistician named Molly Orshansky came up with the official method of measuring poverty back in the sixties. And Orshansky based her calculation of the poverty level by multiplying the cost of food times three. It may well be that to accurately compare the poverty of the sixties with the poverty of the nineties, the cost of food should be multiplied by six rather than three. This, of course, would result in an enormous increase in the number of those living under the poverty level in the U.S. – perhaps as much as a doubling of their numbers. But it is not likely that the officials who calculate the number of poor in the U.S. will update the Orshansky formula anytime soon.

Even with the Orshansky definition of the poverty level, there are few AFDC recipients living above the poverty level. The proportion of the poverty level that is provided by AFDC varies from one state to the next and, with the exception of Alaska, no state in the union pays AFDC levels that would take a family of four above the poverty level.²⁰ In addition, the situation has been getting worse. AFDC as a percentage of the average poverty threshold changed between 1969 and 1988. In 1969 the average monthly benefit per family was \$ 174 and the average poverty threshold was \$ 3,743. In 1988 the average monthly benefit per family was \$ 374 and the average poverty threshold was \$ 12,092.²¹ In other words, in 1969 the average family received an AFDC check worth 56 percent of the poverty level; and by 1988, the average family's check was worth 37 percent of the poverty level. But this figure is distorted by the fact that the average family became somewhat smaller during this time and would therefore receive a smaller check.

To correct for this we can simply look at the check for the average family of three and the comparisons will make more sense. Peterson and Rom found, for instance, that in 1988 dollars, the average monthly AFDC benefit – combining both federal and state payments – was \$ 328 for a family of three.²² That represents about 40 percent of the poverty level and clearly points to a decrease in real AFDC benefits relative to the poverty level. However, these figures ignore the value of other government transfers which have either come into existence or have been improved over this time period, i.e., the non-cash transfers.

The effect of non-cash transfers

In their assault on poverty programs, conservatives never fail to point out that AFDC is a means tested cash transfer program that has been supplemented over the last two decades by non-cash transfer programs, primarily food stamps, Medicaid and housing subsidies. These transfers are not included in the calculation of the number of people living in poverty and it is argued that this seriously distorts the true picture. Ronald Reagan sought to cut back all of these programs. Charles Murray said that they represented the Gordian knot which could not be untied and needed to be cut. He would abolish all of these programs. Lawrence Mead argued that our failure to count non-cash transfers as income distorts the extent of poverty. June O’Neil of the CATO Institutes argued: “When noncash benefits are counted as income, the decline in poverty from 1964 (when noncash benefits were negligible) to 1986 is much more substantial than the official data would indicate.”²³

Therefore, they argue, the state of the poor cannot be adequately assessed simply by comparing AFDC levels from one era to the next. There must be some accounting for the enhanced level of support represented in non-cash transfer programs. The vast majority of the cost of these non-cash transfers is accounted for by food stamps, medicaid and low-income housing. To put this in perspective, the federal expenditure for Fiscal Year 1988 for AFDC was 9.8 billion dollar; for food stamps it was 11.6 billion and for medicaid it was 24.9 billion.²⁴ Moreover, in the years following 1988, both food stamps and medicaid expenses have grown quickly. Federal Housing Assistance allocated for the assisted Housing Budget Authority and Urban Development was 8 billion in 1988.²⁵ (This had fallen from 27 billion in 1980 and represents a 70 percent cut in the funds allocated for assisted housing.) Non-cash transfers are not included in the calculation of the number of people living under the poverty level. But the argument has been made by June O’Neil and others that they should be. Each of these benefit programs should be considered separately since each has a different impact on AFDC recipients.

Food stamps

In 1971 the food stamp program went into effect. The food stamp guarantee is adjusted automatically for inflation (while AFDC adjustments are discretionary). The program is targeted at more of the poor than just AFDC recipients, though not all the poor are eligible. In 1990, 68 people received food stamps for every 100 people below the poverty level.²⁶ The Food Stamp Act of 1985 reversed earlier cutbacks in the program by increasing the gross income limit, liberalizing deductions and raising the assets limit. Because it is targeted at the “deserving poor”, food stamps has enjoyed strong political support. How much of an impact has it had on the plight of the AFDC recipient?

Calculating in the value of food stamps will make a difference in the picture of eroding benefits for the poor. For instance, in 1984 dollars, the maximum AFDC benefit for a family of three went from \$ 601 in 1970 to \$ 376 in 1984. But in 1970 there was no food stamp program. In 1971, when food stamps were begun, the maximum AFDC benefit plus food stamps was \$ 731, in 1984 dollars, and in 1984 that figure was down to \$ 542.²⁷

The conservatives are, of course, quite correct when they say that the real drop – from \$ 737 to \$ 542 – is less dramatic than the drop in AFDC benefits alone during the same period (37%). But the drop in combined benefits of AFDC and food stamps is still over a 25 percent between 1971 and 1984. Moreover, Peterson and Rom found that the situation had not gotten any better in 1988 when the average monthly AFDC benefit – combining both federal and state payments – was \$ 328 in 1988 dollars for a family of three. When we add in the value of food stamps for this family (\$ 173) the total combined benefit would be \$ 501.²⁸ This amounted to even less than the 1984 level and it came to 63% of the poverty level. Finally, it should be noted that the decline in the value of AFDC and food stamps relative to the poverty level was not started by Reagan. It was a steady erosion that had begun long before Reagan took office.

Peter Gottschalk found that AFDC and food stamps benefits together provided enough to cover 86.9 percent of the poverty budget in 1971; 70.7 percent in 1980 and 63.9 percent in 1984.²⁹ In other words, the value of AFDC and food stamps for the average family of three fell from 86.9 percent of the poverty level in 1971 (Gottschalk) to 63 percent of the poverty level in 1988 (Peterson and Rom). That is a fall of 27 percent.

Medicaid

At first glance, it would seem to be a reasonable suggestion to add in the cash value of the medical benefits provided to the poor in calculating the level

of social provision. However, consider the process of analyzing middle-class income with the same thoroughness. If we consider the Medicaid benefits to the poor as a source of income, should we not also include Medicare benefits in analyzing the income of middle-class individuals?

Should the entire panoply of “fringe benefits” paid for by the employer to middle-class workers be considered “income”? And tax free income, at that. More relevant to the present discussion is the extent to which the Medicaid program actually changed the life style of the poor. Prior to the arrival of Medicaid, critically ill people were given emergency medical care and not required to pay if they were unable to do so. To put a cash value on today’s high tech medical services, add it to their other income and then declare them no longer under the poverty level may be a clever accounting stratagem, but it does little to explain the situation of the poor. Theoretically, a million liver transplants could be done with medicaid financing in a given year; the cash value of these operations could then be divided by the number of medicaid recipients and we could conclude that there was nobody living below the poverty level in the U.S. In short, while it is fair to include the cash value of food stamps in calculating the income of the poor, the cash value of the medical benefit given to the average AFDC recipient under the medicaid program, should not be considered part of their income.

More to the point, we are here discussing the effects of the ending of civil turmoil on the funding of poverty programs. Medicaid began in 1986. The cost of medicaid may have increased with the unending increase in high-tech medical cost, but the program was created long before the riots of the sixties ended. What about housing subsidies?

Housing

The best measure of changes in the federal commitment to low-income housing is neither appropriations nor outlay levels but rather the number of additional units whose rent the government has made a commitment to subsidize. By this measure, subsidized housing programs were cut substantially in the 1980’s.³⁰ An estimated 2 million people live in public housing in the United States, but 10 million more people are probably eligible for public housing under current standards.³¹ While state and local funds have been used on a limited basis over the years, the federal contribution to all public housing – both developmental and redistributive programs – has been in excess of 90 percent of the total bill. The cuts made under the Reagan administration were devastating. Paul Peterson concluded that few components of federal domestic policy collapsed as quickly as did housing programs in the early 1980’s.³² Hope and Young found that between 1981 and 1986 the federal housing assistance budget was cut by 60 percent.³³

The federal government continues to subsidize the housing cost of the poor but increasingly it is through the housing voucher program known as Section 8. There are many problems with the Section 8 housing subsidy program. Section 8 certificates are given out on an "as available" basis; unlike many poverty programs, Section 8 certificates are not entitlements given to any household that qualifies. As of 1985, 22.5% of the eligible low-income renter households were actually receiving Section 8 housing assistance.³⁴

The major eligibility requirement for receiving housing assistance seems to be good luck. Why should the federal expenditures on low income housing subsidies be included in the calculation of overall benefits that the poor receive from the state when such a small proportion of the poor receive any benefit at all? No one would suggest dividing the number of poor into the income of impoverished lottery winners in order to calculate "median income" of the poor. In any event, spending on low-income housing was devastated during the Reagan years and the placid poor saw their patience rewarded with unprecedented homelessness. Even John DiIulio, a housing authority who is sympathetic to the Reagan administration and an admirer of Jack Kemp's approach to housing has written: "The Reagan administration did nothing to expand the stock of public housing. From 1977 to 1981 the federal government authorized some 215,000 new public housing units, but only 44,000 were authorized from 1982 to 1988. As a direct result of these Reagan cutbacks, in the 1980s thousands of low-income people who in the 1970s would have been kept from the streets by federal assistance joined the ranks of the homeless".³⁵

Reagan supporters have taken the position that the homeless have chosen their life style and that most of them are either mentally ill or chemically dependent. Others have argued that this position is groundless and that the homeless reflect the tip of the iceberg that represents the expansion of poverty in the U.S. Still others have suggested that even when the federal government was making a significant investment in low income housing, the money spent was never anything near the subsidies given to middle-class home owners. The politically sacrosanct tax deductions for mortgage interest costs the federal treasury \$ 50 billion each year³⁶ and benefits no one below the middle-class.

But no one would suggest that this money be included in calculating the median family income. So why should the paltry amount spent on low-income housing subsidies be included in calculating the income of the poor? And finally, it should be kept in mind that regardless of the effect of all of these non-cash benefits, the percentage of the poor who are pulled up above the poverty level by cash and non-cash transfers has deteriorated over the years. Danziger et al. found that the percentage of poor who fall into this category

was 67.7 percent in 1972. By 1983 that number had fallen to 46.3 percent.³⁷ By almost any measure, the placid poor are worse off after twenty years of rejecting civil turmoil as a tactic of social change. How has the rest of the population done?

The growth of inequality

The pluralists argue that AFDC levels are based both on the need of the poor and the ability of the government to provide for them. Piven and Cloward, of course, had argued that the level is determined by the demands made by the poor, without regard to “need” or “ability”. But if the pluralists were right then we should consider the ability of U.S. taxpayers to provide for the poor during this period. In discussing distributive justice, Harold Wilensky says: “Among the major questions in any analysis of income distribution are the following: “What share of national income do the very richest families take?”³⁸ The income of the bottom quintile of Americans stagnated during the 1980s while that of the top quintile surged.³⁹ A report by the Joint Economic Committee of Congress concluded that the share of wealth held by the wealthiest 0.5% of U.S. households has risen sharply in the last decade; in 1976 it was 14.4% and by 1983 it was 26.9%.⁴⁰

The Congressional Budget Office says from 1977 to 1987 the average after tax family income of the lowest 10% dropped 10.5%; average family income of the top 10% increased by 24.4 percent; the incomes of the top 1% increased 74.2%.⁴¹ Furthermore, the gap between the poor and everyone else was widening. In 1960, the poverty line was 48% of the median family income for a family of four; by 1980, it dropped to 34%.⁴² In other words, the U.S. was not only producing more poor, but the poor were getting poorer relative to everyone else.

Finally, a House Ways and Means study concludes that from 1979 to 1987 the standard of living for the poorest fifth of the population fell by 9 percent, despite a growing economy during the last five years of the period. The living standard of the top fifth rose by 19 percent.⁴³ M.I.T. economist Paul Krugman argues that the growth of inequality between 1979 and 1989 is “startling”. According to Krugman: “One recent study concludes that, after adjusting for changes in family size, the real income before taxes of the average family in the top ten percent of the population rose by 21 percent from 1979 to 1987, while that of the bottom 10 percent fell by 12 percent. If one bears in mind that tax rates for the well-off generally fell in the Reagan years, while non-cash benefits for the poor, like public housing became increasingly scarce, one sees a picture of simultaneous growth of wealth and poverty unprecedented in the twentieth century.” Krugman goes on to conclude that” . . . it is probably safe

to say that income distribution within our metropolitan areas is more unequal today than at any time since the 1930s".⁴⁴

If redistribution of income were in fact a product of "ability" and "need", then the level of support for the poor would not have fallen at the same time that the ability of others to provide for them was soaring. And apparently what we have seen over the last twenty years is just a prelude to what lies ahead as the call for "welfare reform" is heard everywhere.

Current reform trends

The welfare reform debate in the U.S. has shifted to the right over the past twenty years. The left seems preoccupied with debating whether "targeted programs" or "universal programs" are the most advisable policy. Targeted programs would be aimed at those most in need of specific help. The advantage to them is that they tend to be inexpensive since they are limited to the number of people who are eligible. The problem with targeted programs is that they do not enjoy the widespread political support of universal programs that help a broader range of people. They are frequently tarred by the black brush of "welfare" and so they are vulnerable to cuts.

Universal programs – like Social Security and medicare – enjoy a great deal of political support but are very expensive. Hence the quandary: should we pursue politically vulnerable, albeit inexpensive targeted programs or politically popular but very expensive universal programs? The answer appears to be that we will pursue, in all likelihood, neither. The pluralists point to the "fiscal restraints" or "compassion fatigue" in the U.S. of the nineties and conclude that we presently lack the "ability" to fill the "needs" of the poor anymore adequately than we are doing so at present. The conservatives look for places to cut spending further.

Despite the massive erosion of the purchasing power of AFDC checks during the last twenty years; despite the decrease in the percentage of poor eligible for AFDC benefits over the last twenty years; and despite the unprecedented reduction in low-income housing programs that has left cities teeming with homeless, the conservatives appear to have launched a new assault on poverty programs and the political possibilities of passing new programs – targeted or universal – seems remote. The restrictions on AFDC in the nineties take various forms, ranging from cutbacks in eligibility, to reduction in benefits and to "workfare" requirements. In 1991 alone forty states either froze or cut AFDC benefits.⁴⁵ A new plan in New Jersey will deny a welfare mother the additional \$ 64 a month they now get when they have another child. California's AFDC benefits are among the highest in the nation, in large measure as a result of the high cost of living in California. Under a proposal by Governor Wilson there would be an immediate 10% rollback so that a family of three

goes from \$ 663 to \$ 597. After another 6 months any family with an “able bodied adult” would be cut another 15% to \$ 507 per month. Coupled with previous cuts, California’s plan would mean a 40% cut in the real value of welfare benefits by 1993.

In addition, there is “workfare”. Lawrence Mead’s stress on reciprocal social obligation in *Beyond Entitlement* became the core of the congressional consensus on welfare reform. The Family Security Act of 1987 and The Family Support Act of 1988 included a key debate on whether or not the recipients should be required to work. Workfare has generally failed in the past. More than two thirds of the states have experimented with workfare; in most cases the recipients lost their Medicaid and had no subsidized childcare. In Reagan’s California at best 3% of the eligible population participated.

The political battle over passage of the Family Support Act of 1988 (FSA) pitted Republicans and conservative Democrats against the liberals who denounced the program as “slavefare”. Final agreement was possible only because democratic leaders were prepared to strike a deal with the White House and abandon the liberals.⁴⁶ The liberals pointed to the success of programs like social security and the failure of AFDC and argued that any program confined to the very poor will share the stigma of welfare and always be vulnerable; what will happen they asked, to the working poor who looks at a welfare mother being trained for his job? The Republican and conservative Democrats, on the other hand, ignored the obvious impact of workfare on the low-income labor market and never gave up their insistence that the poor could take care of themselves if they were required to.⁴⁷ The Family Support Act of 1988 (FSA) included the toughest participation standards in the history of workfare.

Conclusion

Something has happened to poverty in the U.S. over the past two decades and there appears to be a good deal of confusion about exactly what that is. Sheldon Danziger recently examined poverty figures and concluded that there’s a lot more going on in the pieces than in the larger picture. Namely, the poorest are getting poorer.⁴⁸ While the figures are difficult to pin down, Jencks and Peterson argue that “in recent years there has been a gnawing sense that poverty, instead of disappearing, has become worse”.⁴⁹ A Congressional Task force on hunger reported the findings of its study by saying “hunger has returned as a serious problem across this nation”.⁵⁰

Michael Katz believes that the enormous expansion of badly paid jobs accounts for much of the increase in poverty in the U.S., e.g., a full time minimum wage worker with two kids earned 23% less than the poverty

level.⁵¹ Even Kevin Phillips acknowledges that the average “per worker” income dropped almost 15 percent between 1972 and 1987. Specifically, inflation adjusted weekly per worker income dropped from \$ 366 in 1972 to \$ 312 in 1987.⁵² In 1985 the income of the typical full-time male worker was below the level it had been in 1970.⁵³ Since that time, continuing industrial restructuring has given rise to a further increase in inner city joblessness. Moreover, the recent signing of NAFTA will almost certainly result in the loss of even more low-wage jobs to Mexico and further depress the American low-wage labor market.

This may be exactly what Piven and Cloward were talking about when they argued that the withdrawal of benefits after the civil turmoil ended was to keep low wages low. What about their prediction that the end of civil turmoil would bring about a withdrawal of social provision for the poor?

We have seen the extent of the reduction in AFDC spending during the past two decades. It would appear that the prospects for social provision in the near future also seem bleak. The Clinton administration is determined to “end welfare as we know it”, which includes David Ellwoods suggestion of making welfare “transitional”, i.e., terminated after two years. What happens to recipients at that point is anyone’s guess. “Workfare programs” play a major role in the Clinton plans for reform but in the past most welfare to work programs have simply become referral programs to low-wage service jobs.⁵⁴ The state of Wisconsin has recently adopted this idea and is planning on withdrawing from the AFDC program altogether – the first state to do so since the inception of the program during the depression.

Nonetheless, organizational efforts on the part of the poor today are scattered, localized and with very little prospect for impacting national policy toward the poor. The political, social and economic conditions that came together to create the mobilization of the poor in the sixties were very different from those that exist today. Rather than the rapidly expanding job market for unskilled labor that existed in the sixties, the U.S. in the nineties has a stubbornly high unemployment rate and less and less need for unskilled workers.

The federal budget crisis created by the borrowing of the eighties has placed severe limits on the prospect of expanding government spending on poverty programs. Indeed, a larger and larger proportion of tax dollars spent on America’s poor is being spent for prison construction and operation. The vast majority of the nation’s inmates are from the ranks of the poor and inexplicably, there appears to be almost no limit to how much can be found to expand incarceration facilities.

The annual cost of keeping an inmate in prison varies widely from state to state, but one authority has said that “a conservative estimate is \$ 25,000 in

yearly operating costs per inmate” and a construction cost of \$ 100,000 per cell.⁵⁵ Nonetheless, in the last twenty years there has been a massive investment in jails and prisons. State spending on correctional activities increased from \$ 1.3 billion in 1971 to \$ 18 billion in 1988 and the bill continues to grow. By 1990 corrections cost \$ 24.9 billion.⁵⁶ In the eighteen years between 1973 and 1991, the U.S. more than tripled the proportion of its population that was imprisoned. In 1973 there were 93 inmates in U.S. prisons for every 100 thousand population. By 1991, that figure was 292, more than three times the earlier rate.⁵⁷ The incarceration rate in both prisons and jails in the U.S. hit an incredible 455 per 100 thousand in 1991 – not only the highest in the world but actually ten times the rate of Sweden, Ireland, the Netherlands or Japan.⁵⁸ All of this was done during a time when public spending on the non-incarcerated poor was falling rapidly.

It would seem that the answer is in. A placid poor is indeed an easy constituency to ignore. The concessions made to the poor following the urban riots of the sixties have been well documented; the brutal neglect of the poor during the past two decades is apparent from the data in this paper. The words of Piven and Cloward that seemed so disturbing in 1972 seem unequivocally clear in 1992; “. . . the reality is that the poor get responses from government mainly through disruption.”⁵⁹

Notes

1. Piven, Frances Fox and Richard Cloward, *Regulating the Poor*. New York: Vintage Books, 1971, p. 348.
2. U.S. Department of Health and Human Services, Social Security Administration, *Social Security Bulletin, Annual Statistical Supplement, 1990*, Washington, D.C.: U.S. Government Printing Office, 1988, 27.
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