Poverty in the Era of Welfare Reform
The “Underclass” Family in Myth and Reality

THOMAS J. SUGRUE

In 1996, after pledging to “end welfare as we know it,” President Clinton signed into effect a new welfare program that was a radical departure from the past. Certainly, the existing welfare system had major problems. Applicants faced long lines, hostile administrators, probing and personal questions, and arbitrary cutoffs. Furthermore, welfare reached only a portion of the poor. The vast majority of welfare recipients were women with children. Very few men received AFDC monies. Many of the changes that replaced Aid to Families with Dependent Children by the TANF program—Temporary Assistance to Needy Families—grew from a desire to provide poor people with stable, secure, and well-paying jobs (to “make work pay”).

To understand why that has not occurred, and cannot occur under existing policies, we need to trace the changes in poverty during the 1970s and 1980s that were the background to the discussion of welfare in the 1990s, and to analyze the growing influence of an ideologically-driven, ahistorical analysis of the causes of poverty. This article describes the obstacles that poor urban families have faced over the last several decades and explains how the causes of poverty were misrepresented by an influential group of social scientists—with consequences that still deform the public understanding of poverty and the political response to it.

By the early 1990s, increasingly isolated by class and race, the families of the urban poor were scraping together a meager existence in areas left behind by investors and denounced or ignored by politicians. One such place was North Philadelphia’s Badlands. Home to thousands of black and Hispanic poor people, by the 1990s it was one of hundreds of neighborhoods around the country identified as “high poverty areas”—places where poverty rates exceeded 40 percent and where a majority of the adult population was unemployed. Ringing the once-bustling neighborhood were the shells of abandoned factories, grim reminders of the economic depredations that had reshaped the city. The ghost of a prosperous industrial past hovered over debris-strewn vacant lots, haunting the lives of area residents who remembered the days when union-wage industrial jobs were plentiful. Abandoned houses marred virtually every block, graffiti scarred the ubiquitous red-brick building facades, and crack vials and hypodermic needles lay scattered among broken bottles and shattered car glass along the streets. On the horizon, only a few miles away, Philadelphia’s glimmering downtown was more closely connected to New York’s stock exchanges, to the money markets of London and Paris, to the courthouses of Chicago and Washington, than to the gritty postindustrial neighborhoods in its shadow.

Prevailing explanations of the decline of places like the Badlands focus on the behavior and
culture of poor people. American social policy is driven by assumptions that urban poverty is the consequence of dysfunctional families, parents who lack the motivation to work, and children who engage in crime and sexual libertinism. Anti-poverty policy rests on the assumption that jobs are plentiful but that poor people need to be inculcated in the values of thrift, deferred gratification, and work discipline. But the plight of families in the Badlands and other urban centers cannot be understood outside of the context of several generations of economic dislocation, political marginalization, and massive capital disinvestment. Residents of America’s countless badlands have found themselves increasingly superfluous to the high-tech global labor market. In a suburban-dominated political order, their needs (from infrastructure to human services) have become peripheral to the national political agenda.3

The tangled roots of today’s urban poverty and family stress can be traced to the interaction of profound economic and demographic changes that began in the seemingly prosperous 1940s and 1950s. American cities lost millions of entry-level jobs, largely in manufacturing, over the next fifty years. Between 1947 and 1977 alone, twelve of the largest Northeastern and Midwestern cities lost 2.1 million manufacturing, wholesale, and retail jobs, while gaining only 316,000 service jobs. The hemorrhage began at the very same time that millions of Southern blacks were pushed out of the South by disruptions in the agricultural economy.4

The postwar boom and the emerging civil rights movement led many Southern blacks to hope that they could find steady, secure, and relatively well-paid employment in the Northern cities. But that promise proved to be short-lived. Even as blacks gained new opportunities to join unions and break the color barrier in entering industrial jobs, major employers increasingly relocated production to suburban areas, small towns, and even to sites outside the United States, benefiting whites at the expense of young African-Americans who continued to flock to the cities seeking work.

In the ensuing decades, most new jobs that opened up in major cities were in the service sector. These jobs fell into two distinct categories: high-tech and information-dependent firms like finance, real estate, and the law, attracting highly educated professionals, and menial employment where wages remained low and benefits virtually nonexistent. The leading area of job growth since 1980 has been temporary work, often part-time and usually without benefits. In Philadelphia, like many old industrial cities retooling as entertainment and convention centers, tourist-related employment has boomed. That growth, however, has been concentrated in insecure, difficult, and mostly poorly paying jobs like kitchen help, room cleaning, and janitorial services. An expansion in retail employment, driven by the growth of big box retailers like Wal-Mart, has depended on a supply of low-wage workers.5

Meanwhile, persistent income inequality has ravaged American cities. Between 1975 and 1990, the gap between rich and poor widened steadily. The urban real estate boom of the 1990s and early twenty-first century—evidenced by the construction of downtown lofts, condominiums, and apartments—led observers to proclaim that “the city is back,” but the benefits of rising property values seldom trickled down into poor neighborhoods. The growing prosperity of gentrified urban neighborhoods was, to a great extent, a manifestation of deepening urban inequalities in wealth and income. As we shall see, welfare reform has done nothing to slow this down. For the poorest segment of the American population, incomes have continued to stagnate. Between 1979 and 2004, using inflation-adjusted dollars, household income for the poorest fifth increased only 6 percent, or $800, compared to a 69 percent or $63,100 increase, for the top fifth. Since 1979, America has had two economic realities: staggering economic advances for the wealthy and bare subsistence for the poorest. By 2004, the average yearly income for the poorest fifth of households in the country was a mere $14,700, in contrast to a remarkable and rising $155,200 for the richest fifth.6

Over the last several decades, America’s poor have faced not just the reality of poverty but an ever more oppressive array of negative actions, policies, and places. The economic activities that those with wealth and power have engaged in over the last several decades have combined with high unemployment rates and mass incarceration to deprive poor Americans of good jobs and meaningful involvement in economic decision making. The national political agenda has largely ignored the needs of the American lower class, including the elderly, and those living in poverty, as well as the needs of the urban poor. Since the early 1980s, America’s policy decisions have contributed to rising income inequality, a shrinking middle class, and a declining quality of life for low-income Americans, who are increasingly left behind in an increasingly globalized economy.

Exacerbating the problem is the growing number of Americans who are left without the resources to meet their basic needs. In recent years, over 40 million Americans have lived in poverty, and the number of children living in poverty has increased dramatically. The lack of affordable housing, education, and healthcare is a major problem for many low-income families. The lack of affordable housing is particularly acute in urban areas, where the cost of living is often higher than the average wage.

By the 1990s, the disparity between the rich and poor had become even more pronounced. The gap in income between the richest and poorest Americans increased significantly, with the top 1 percent of earners capturing an increasing share of the nation’s wealth. The poor were left with fewer options for education, healthcare, and employment. At the same time, the government’s response to poverty was inadequate, with federal anti-poverty programs failing to address the root causes of poverty and inequality.

Despite some progress in recent years, poverty remains a persistent problem in America. The United States still has one of the highest poverty rates among industrialized nations, with millions of Americans living in deep poverty. The lack of affordable housing, education, and healthcare is a major problem for many low-income families. The lack of affordable housing is particularly acute in urban areas, where the cost of living is often higher than the average wage. The poor are left with fewer options for education, healthcare, and employment. At the same time, the government’s response to poverty has been inadequate, with federal anti-poverty programs failing to address the root causes of poverty and inequality.

As the number of poor Americans continues to rise, it is clear that more needs to be done to address this critical issue. The government must take bold action to reduce inequality and poverty, and to ensure that all Americans have access to the resources they need to thrive. This includes increasing the minimum wage, expanding access to healthcare and education, and investing in affordable housing and community development. Only through such comprehensive and coordinated efforts can we hope to create a more just and equitable society for all Americans.
Over all these decades, workplace discrimination, despite civil rights legislation and litigation, remained a pressing problem. Weakened by the Supreme Court (but never wholly gutted), affirmative action improved opportunities for many blacks and women, but it was least effective in helping those with low levels of education and few marketable skills. The result was a growing concentration of poorly-educated, low-income residents in cities where jobs were extremely scarce. Anthropologist Katherine Newman found that when a McDonald’s in Harlem opened in the mid-1990s, an average of fourteen people applied for every job opening. Interviews with Detroit, Boston, Atlanta, and Los Angeles-area employers show that inner-city blacks have consistently faced, and still face, much suspicion in the hiring office and are regularly turned away by employers who are skeptical about their work skills, motivation, and intellectual ability.

Exacerbating the plight of urban minorities has been the persistence of residential racial segregation. Since World War II, urban blacks (and in many cities the growing Latin American immigrant population) have found themselves trapped in expanding yet increasingly isolated urban ghettos. In the 1960s, 1970s, and 1980s, the real estate market, combined with the legal and extralegal activities of white neighborhood associations, subdivided cities by race and magnified racial tensions. Zoning restrictions kept minorities and the poor out of most suburban communities. Federal and local governments further perpetuated racial divisions in major metropolitan areas by placing public housing in older, predominantly poor sections of cities and bankrolling white suburbanization through racially discriminatory housing subsidies. Despite incremental declines in segregation rates in most major metropolitan areas between 1990 and 2000 most minorities—especially African-Americans—continued to live in racially isolated neighborhoods and attend racially segregated, usually inferior, schools.

By the early 1990s, the interaction of economic restructuring and racial discrimination had devastated the lives of the urban poor. A growing number of poor families were—and remain—entrapped in neighborhoods bereft of economic and social institutions that could help to mitigate poverty. In addition, residence in the inner city steadily became a self-perpetuating stigma, with employers often using place of residence as a means of screening potential workers. Further exacerbating the situation was the uneven economic growth of metropolitan areas. The lion’s share of new jobs was created in outlying suburban communities. But most poor people cannot commute to distant suburbs: they often do not have access to reliable automobile transportation. And public transportation has seldom penetrated the suburbs with any degree of effectiveness. It also became increasingly difficult for the urban poor to gain access to information about jobs in suburban locales. More recently, many low-wage employers began to accept only on-line applications, a further barrier to poor people who do not have access to reliable computers.

As one might expect, decades of economic insecurity, underemployment, and joblessness, on top of years of defeats and dashed hopes, proved devastating to poor families. Young men found it more and more difficult to find steady, well paying jobs, particularly at the entry level. Between 1950 and 1985, the proportion of black men aged sixteen to twenty-four who were employed fell from about 70 percent to under 45 percent. Reviewing the evidence on black youth unemployment, labor economists Richard Freeman and Harry Holzer have noted that black youth “are out of work for very long periods of time and that, once non-employed, they have great difficulty securing another job.” Since 1985, black male labor force participation has remained low.

Even more destabilizing for urban families—especially African-Americans—was the staggering increase in the number of incarcerated black men that began in the 1970s and accelerated over the next three decades with the dramatic expansion of the prison-industrial complex. In the last decades of the twentieth century, incarceration became the single most important tactic in the “war
against crime," but it also had a devastating impact on the health, economic status, and well-being of ex-convicts and their families. At the turn of the twenty-first century, social scientists Michael Katz and Mark Stern found that one-third of black men in their twenties were in jail or on probation or parole. With employers reluctant to hire ex-criminals and many professions forbidden by law from hiring people with criminal records, ex-cons often had no choice but to work off the books or drift back into the underground economy, the only place where they could find work. Both criminals and unemployed ex-cons with children have found it nearly impossible to provide reliable child support, further hindering their families' opportunities for self-sufficiency.13

Whatever their values or original intentions, and no matter how strong their love, it is difficult for families with few resources to cope with the emotional costs of long-term joblessness, irregular employment, and financial uncertainty. In poor, inner-city communities, devoid of supportive communal institutions to help families cope and move forward, the strains of dislocation are all the greater. As dozens of ethnographic studies have noted, many inner-city residents have found themselves part of an informal economy over the past 30 years—one that includes under-the-table employment, scavenging of recyclable materials, and often illicit activities including gambling, drug sales, prostitution, and theft. In the Badlands, men tinker with broken-down cars on vacant lots, trading parts and labor, to save expenses. Some women operate unlicensed day care out of their homes, to remain with their children, to assist family members or friends who cannot afford commercial childcare, and to make enough money to survive. Others rely on the unreported income of lovers, sons, and brothers who work the drug trade, one of the neighborhood's few well-paying, if horrifically dangerous, employment opportunities.14

Had observers of Philadelphia's Badlands over all these years bothered to look at the historical background of economic disinvestment, racial segregation, and community decline, they would have seen street corners and porch stoops filled not with "lazy bums" and "welfare queens," but men and women who had lost access to the security and relatively stable wages and benefits that their neighborhood's industries once provided. Since then, poor families have been failed by weak schools, and further hobbled by crime and incarceration. Those who have been lucky enough to find work in a still-shrinking labor market are usually trapped in mediocre service-sector jobs, cleaning up attorneys' offices, making hotel beds, staffing the counters in fast-food restaurants, busing tables, doing food preparation work, or working the floors at megastores. In the hostile environment of the inner city and a shrinking labor market dominated by mediocre jobs, maintaining enough income for mere subsistence became far more difficult. The wages of a single breadwinner are often insufficient to pay for adequate housing, food, childcare, and health insurance—especially if that breadwinner is a woman. But since 1979, the wages of two underemployed workers have also been barely enough to pull a family above the poverty line. In 2005, food prep workers in Pennsylvania made only $14,828 per year; retail salespeople earned only $18,783 per year, and janitors garnered a little over $20,000 per year (in part because some janitorial jobs have been unionized). Vulnerable to layoffs and firing, usually without day-care or health benefits, their lives are drained by the nearly impossible struggle to pay monthly rents, utility bills, childcare, and basic food, clothing, and healthcare expenses out of poor wages or meager public assistance payments.15

For most of the last two-thirds of the twentieth century, poor families could rely on some support—however meager—from the government to help cushion the effects of poverty. Between 1935 and 1996—when President Clinton signed the law creating TANF; which ended the federal entitlement to income support for impoverished parents—poor people, especially single women with small children, depended on a bundle of federal and local aid programs, most notably Aid to Families with Dependent Children (AFDC) and the General Assistance Program (GA). As noted above, this system of categorical welfare has been replaced by block grants, held minimum-wage, work requirements, and increasingly harsh sanctions that virtually eliminate future benefits and turn impoverished parents into "bodily" in the eyes of welfare officials.16

All that changed with the passage of the TANF legislation. Its goal was to reduce poverty, but the program's primary goal, according to its architects, was to shift personal responsibility for raising children from the federal government to the families themselves. Since the early 1980s and the growth of adolescent poverty, a new form of poverty on the streets has eventually incorporated women and children. This article traces the effects of this new form of poverty.

Welfare reform, in other words, has attempted to legitimize for the public the idea of a new form of "urban "underclass."" These women have come to be called "underemployed" and "disengage". While contemporary poverty research has defined "permanent" poverty, these women are both "underemployed" and a new, violent form of poverty. Their situation is similar to that of female-headed households in a form of "underemployed" poverty. In some respects, the label fits the women's intimate fears and insecurities.

The emphasis on "work" and personal responsibility at the public policy level has greatly added to the problem of the poor has a long history of self-help and a long history of poverty. In the 1980s, Charles Murray and other theorists even today argue that illegitimacy and promiscuity are
The system had major problems. AFDC and GA payments were extremely low. Indeed, the value of AFDC checks actually fell during most of the 1970s and 1980s. Many welfare recipients held minimum-wage jobs surreptitiously (making them "welfare cheaters"), to avoid losing their benefits and falling even further into poverty. Pennsylvania, like many other penurious states, virtually eliminated its General Assistance program, cutting off all single adults deemed to be "able-bodied" in the early 1980s. Nevertheless, as part of a combination of income sources—legal or under-the-table—welfare and other benefits provided a safety net for poor families.  

All that changed in 1996, when decades of clamor for "welfare reform" came to fruition in the TANF legislation. The intentions of many of the architects of this plan were laudable. Most wanted to reduce poverty and encourage work. Yet ending poverty was not even listed as one of the program's primary goals. Instead, the legislation that created TANF talked about fostering personal responsibility and increasing the incidence of marriage. These goals reflected the failure of policy makers to grapple with the wrenching structural changes that had created persistent, concentrated urban poverty. Instead, as the political spectrum in the United States drifted rightward in the 1980s and 1990s, individualistic and moralistic behavioral and cultural explanations of poverty had gradually moved into the mainstream. These explanatory frameworks blamed poverty on the supposed individual irresponsibility and cultural deficits of the poor, and were eventually incorporated into contemporary welfare debate and policymaking. The rest of this article traces the emergence and arguments of the social scientists who popularized these views of poverty.

Welfare reform was a response to decades of political opposition to programs that targeted poor people's needs. But in the 1980s and 1990s a new breed of social scientists provided scholarly legitimation for the effort to reshape the welfare state. They argued that the emergence of the new urban "underclass" had nothing to do with the structural changes described above. Instead, they claimed, "underclass" poverty was rooted in antisocial attitudes and actions. The causes of contemporary poverty could be found in family breakdown, out-of-wedlock childbearing (the old-fashioned term illegitimacy moved back into popular currency in the 1990s), welfare dependence, and a new, violent youth culture. At the root of arguments about the "underclass" was an assumption that female-headed households in the inner city were the primary source of poverty and related social ills. In the hands of these scholars and pundits, the term "underclass" became a powerfully evocative metaphor. Allowing commentators to ignore a reality far more diverse than they care to admit, the term has since become a shorthand way of bundling together America's poor under a label that conjures up images of racial inferiority, violence, family breakdown, and uncontrolled sexuality.

In a single word, the term "underclass" encapsulates middle-class Americans' most intimate fears and reaffirms their sense of social and moral superiority.

The emphasis on culture and behavior that emerged in the 1980s in American poverty scholarship and public policy was both a reprise of old themes of moral virtue, and vice, and a new agenda at the cutting edge of scholarly research. Profound skepticism about the moral capacity of the poor has a long history in Anglo-American political discourse, which is informed by an ethic of self-help and a theory of citizenship that emphasizes personal virtue and responsibility. Reagan-era conservatives advocated a sort of scholarly Calvinism, which presumed the inherent moral depravity of the poor and their susceptibility to the sins of sloth (not working), lust (promiscuous sex and out-of-wedlock pregnancy), and greed (grasping for government handouts). In the early 1980s, Charles Murray and George Gilder—arguably the two most influential right-wing policy theorists even today—argued that "the perverse incentives of welfare" created laziness, dependency, and promiscuity among the poor, all subsidized by taxpayers' money.
Conservative arguments about poverty integrated old racial and ethnic biases into a new narrative about a fearsome underclass created by welfare policy during the New Deal and War on Poverty, from the 1930s through the 1960s. In his widely-read study of poverty and public policy, conservative political scientist Lawrence Mead argued that blacks have a "deep conviction that they have to 'get things from white people' if they are to live a decent life." In Mead's view, residential segregation was the fault of blacks: "If poor blacks functioned better, whites would show less resistance to living among them." Mead also claimed that blacks have abandoned the work ethic of their grandparents' generation. "In that era, working hard and going to church were much of what black culture meant. Today, tragically, it is more likely to mean rock music or the rapping of drug dealers on ghetto street corners. That change rather than any change in the surrounding society seems to lie at the origin of the underclass." New Latin American immigrants are, according to Mead, equally at fault for their impoverishment: they are "less interested in economic progress, suspicious of individual striving, and slower to change."21

Somewhat contradictorily, Richard Herrnstein and Charles Murray, authors of the 1994 best-seller, The Bell Curve, attributed family breakdown and impoverishment not to abandonment of ancestral values but to the inheritance of intellectual deficiencies. The poor, they asserted—particularly blacks and Hispanics—are simply less intelligent and thus more likely to be at the bottom of the economic ladder.22

The right, then, cast its arguments in terms of moral defects and innate deficiencies: poor people are poor because of their lack of motivation, their unwillingness to work, and their propensity to sexual libertinism. Conservative academics and policymakers offered a romantic evocation of the two-parent nuclear family as exemplar of hard work, sexual restraint, and responsibility. This idealized past stood in sharp contrast to their dire picture of the current single-parent family as the breeder of crime, promiscuity, and laziness. Ignoring the two-parent families that still exist in the inner cities and suffer from many of the same problems that plague single-parent households, they downplayed the practical difficulties of forming or maintaining families under conditions of high unemployment. They overlooked the actual diversity (including the success stories) among many single-parent families. And they argued, with scant evidence, that government policies had actively encouraged the destruction of the "traditional family" by rewarding women for bearing children outside of marriage (see Raley, this volume). In their final analysis, poverty is not rooted in economic and historical forces, but instead is a manifestation of family breakdown. If only we had strong, independent, male-headed families, they argue, these parents would instill in children the values of hard work and self-motivation, breaking the cycle of poverty. The free market, with its abundant jobs, would then readily absorb poor people.23

But the political right was not the only group to revive a moral and behavioral analysis of poverty in the years leading up to the creation of TANF. Joining the conservatives were prominent liberal social scientists, most notably William Julius Wilson, Paul Peterson, David Ellwood, Mary Jo Bane, and Christopher Jencks, and journalists such as Ken Auletta and Nicholas Lemann. These liberals offered some qualifications to the dominant conservative framework. They conceded, at least in principle, that poverty is rooted in a changing labor market and that poor people, especially minorities, face barriers to equal opportunity. But as conservatives began to dominate the debate over poverty, liberals also put increasing emphasis on the behavior of the poor. Wilson, for example, combined a thorough analysis of urban industrial decline and joblessness with a discussion of the "pathologies" of the black urban poor such as out-of-wedlock childbearing.24 Auletta and Lemann wrote moving pseudo-ethnographic accounts of poor families that included alarming depictions of family dysfunctionality, violence, and substance abuse—reinforcing popular beliefs that antisocial behaviors generated technological change and welfare.26

The work of the liberal poverty scholars, process, gained a "combined rigorous "conservatism" and endorsement." Ignoring the poor even if the "unemployment for children," he claimed, "Shotgun wedding child had a claim. This change is, liberty, freedom."28

Similarly, David Clinton administration, reform on a continuing American poor and government policy. Thus right aside rigorous analysis, new liberal emphasis, and consensus to address today.

Both the conservative and liberal positions diverged. The most important distinction is how they believe poverty is rooted. The former believe poverty is a result of "human condition" and the latter, "economic restructuring." But as the former group has lost much of its credence, the latter group has been the route to renewed use of welfare, homeownership, and the like. The new approach is more reliant, ignoring the influence of government policies. American society.
behaviors generated poverty.\textsuperscript{25} Peterson acknowledged the impact of discrimination and technological change on the poor, but also focused increasingly on the "perverse incentives" of welfare.\textsuperscript{26}

The work of influential sociologist Christopher Jencks is representative of the generation of liberal poverty scholars who imported conservative ideas into mainstream policy debates and, in the process, gained a hearing among policymakers during the Clinton administration. Jencks's work combined rigorous statistical analysis of economic causes of poverty with a self-described "cultural conservatism" condemning poor people who do not "follow norms of behavior that most of society endorses."\textsuperscript{27} Ignoring the fact that most children of unwed mothers in the inner cities would be poor even if their parents were married, Jencks suggests that permissive sexuality, rather than unemployment for men and discriminatory wages paid to women, is the ultimate problem. "Poor children," he claims, "have suffered most from our newly permissive approach to reproduction. Shotgun weddings and lifetime marriages caused adults a lot of misery, but they ensured that every child had a claim on some adult male's earnings unless his father died. That is no longer the case. This change is, I think, a byproduct of growing individualism and commitment to personal freedom."\textsuperscript{28}

Similarly, David Ellwood and Mary Jo Bane, prominent liberal academics who worked in the Clinton administration as the key architects of the welfare reform, based their vision of welfare reform on a contrast between "long-term dependency" that they believe has characterized the American poor and the "independence and self-support" that they see as the proper goal of government policy.\textsuperscript{29}

Thus right and left alike refocused the debate over poverty onto values and culture, shunting aside rigorous analyses of inequality and laying blame instead on individual characteristics. The new liberal emphasis on the behavioral origins of poverty came to fruition in the bipartisan consensus to abolish AFDC—and remains the prevailing framework shaping anti-poverty policy today.

Both the conservative and the liberal frameworks shared a number of fundamental assumptions. The most important include an emphasis on personal responsibility, the belief that family structure is a cause rather than a symptom of poverty, and a preoccupation with dependence, which they believe destroys personal responsibility. They also shared the commonsensical—but fundamentally mistaken—belief that everyone has equal access to decent jobs, if only they would try hard enough to find and retain them. In the end, both liberals and conservatives agreed that policies needed to be reformulated "to reinforce our values of work, family, independence, and responsibility." The desired goal of liberal welfare reform, like that of its conservative kin, is moral rather than economic, resting on an ideological celebration of "self-reliance" and "independence."

But as Nancy Fraser and Linda Gordon have persuasively argued, the dichotomy between dependency and independence is false, resting on the erroneous assumption that "the normal human condition is independence and that dependence is deviant." It ignores abundant evidence—from history and ethnography—that the ability to depend on others for a helping hand has often been the route to independence for both individuals and groups. The World War II vets who established stable lives due to government funding of their education and massive subsidies for their homeownership are a case in point.\textsuperscript{30}

The new bipartisan orthodoxy on poverty assumes that in the past, most poor people were self-reliant, ignoring the countless ways that families in the past have survived only through a bundle of government support, charitable assistance, and mutual support.\textsuperscript{31} In fact, other groups in American society are far more dependent on the state than the poor, yet manage to escape moral
condemnation. Middle-class homeowners benefit from government-backed loans, mortgage guarantees, and tax deductions; they travel to malls (built with the assistance of tax abatements) on government-subsidized highways. Government insurance programs protect people from the consequences of building homes on flood plains or eroding sea cliffs. Returning veterans have been beneficiaries of a form of affirmative action through the GI Bill and through the VA housing program. Scientists, defense contractors, agribusinesses, lumber and mining firms, and savings and loan associations survive because of government handouts. Yet few people label white suburbanites, the elderly, veterans, the military industrial complex, or bankers as pathological victims of a culture of dependency. Seldom do cries about “perverse incentives” fill the air. The largest group to benefit from federal largesse in the last half century has been the elderly because of Social Security and Medicare, yet they face no stigma for their reliance on government programs.32

Despite these widely accepted and highly effective government subsidies for the nonpoor, the new conventional wisdom is that government assistance to the poor has created or at least exacerbated poverty. One of the most influential right-wing critics of welfare, Charles Murray, has made a now-widely-accepted argument that Johnson’s Great Society programs of the 1960s sapped the initiative of poor people by discouraging them from working and by subsidizing family breakup. The result, Murray contended, was the emergence of a new, pernicious form of poverty bankrolled by the state. Murray and other conservatives argue that more people are poor now than in the 1960s, not because of changes in the job market, a restructuring of the global economy, or the persistence of racial discrimination, but because generous government programs have permitted poor people to live indolently. Welfare payments, in this view, set into motion a dangerous cycle of intergenerational dependency that saps individual initiative, discourages responsible parenting, and contributes to rising rates of crime, adolescent pregnancy, and school dropouts.33

This damning interpretation of the Great Society is based on ignorance or misrepresentation of the history of welfare and of recent trends among the poor. First, it overlooks the fact the War on Poverty was a short-lived and incomplete attempt to expand the safety net. Given the meager funding of Johnson’s domestic programs in comparison to expenditures such as those for the military, it was quite effective when it was in place: rates of child poverty reached their lowest point in 1969–1970, when the Great Society programs were at their height. But a systematic war on welfare began under Richard Nixon and gathered momentum in the 1980s and 1990s.34 It was a war of attrition: welfare shrank as conservatives continued to denounce its supposed excesses. The proportion of female household heads with children receiving AFDC declined from 63 percent in 1972 to 45 percent in 1988, at the same time that the mean payment of AFDC diminished from $435 per month in 1970 to $350 a month in 1980. States also cut back welfare payments sharply. In 1993, the average AFDC benefit in Connecticut, the third-highest-paying state, was a meager $2,400 per year; in Mississippi, the stingiest state, it was only $504 per year. The real value of welfare benefits fell dramatically in the twenty-five years before TANF because AFDC payments, unlike Social Security installments, were not indexed to inflation. Thus median AFDC payments in 1992 were 43 percent lower than they were in 1970. By 1990, AFDC payments for a family of four were lower, in constant dollars, than they were in 1960. If there was any crisis in welfare, it was one of meager funds—not of over-generosity.35

The attack on welfare policy was accompanied and fueled by growing moral outrage directed against the poor. Media accounts depicted the majority of poor people as people of color (when in reality most poor people were—and are—white). Visual images of the black urban poor, in particular, reinforced age-old stereotypes of blacks as lazy, dependent, and undeserving of public assistance.36 Fanning the fires of outrage, politicians evoked the specter of an “epidemic” of teenage pregnancy, supposedly on the rise, that threatened the future of American society. (For a more detailed account of how these ideas have been spread, see my earlier book, The End of Equality.)

But these moralistic denunciations of TANF were nothing new. Even in previous periods we have seen officials to more establish strict eligibility rules and set short time limits, ineligible for support, from getting the created program assistance subsidies—had a significant role during periods of financial crisis left to the vagaries of the economy.37

Along with Ronald Reagan and George W. Bush, the solution was to blame the family dysfunction for the marriage problem.38 The Bush administration said that provided a marriage-based program, marriage.38

Conservative attacks on family dependency—widespread largely not just for improvements to the poor. In 2000, poverty rates under TANF, 2004, the percentage of TANF households

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One unintended consequence of the number of poor people who have been in previous periods was that working, borrowing, and interdependence for women—into the “traditional” family model was.

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pregnancy, supposedly made possible by the easy access that unmarried mothers had to AFDC benefits. (For a detailed refutation of this myth, see Raley, this volume.)

But these media-inflamed myths and flawed assumptions shaped the direction and implementation of TANF. The new system of assistance to needy families varied in its specifics from state to state (one of the major contributions of the new law was to give increased power to state and local officials to modify assistance programs and their requirements). But across the country, TANF established stringent eligibility rules, enacted job training and work requirements for aid recipients, and set short time limits for the receipt of aid. The effects were often harsh. The new, daunting eligibility rules discouraged many needy parents from applying for TANF, even though they were eligible for support. The emphasis on “work first” under TANF prevented many welfare recipients from getting the education and training necessary to find stable, remunerative jobs. Some states created programs to support TANF recipients in the workplace—including child care or transportation subsidies—but these programs were never well-funded and often badly run. Time limits also had a significant effect. In the past, most families who were on welfare used it as a stop-gap measure during periods of unemployment or family crisis. Under the new limits, families in extreme financial crisis who have exhausted their benefits are out of luck. They have to fend for themselves, left to the vagaries of the urban job market or the informal economy.

Along with TANF, anti-poverty policy took another direction, especially in the administration of George W. Bush. If, as conservatives argued, family breakdown was the cause of poverty, the solution was programs to encourage traditional marriage. If the poor married, the argument went, the family dysfunctionality that was at the root of poverty would be eliminated. The emphasis on marriage promotion was closely linked to another Bush administration initiative: the encouragement of “faith-based” social service provision. Blurring the distinction between church and state, Bush administration officials channeled hundreds of millions of dollars to religious organizations that provided all sorts of aid to the poor. Among the most visible and controversial were Christian-based programs that made biblical arguments in favor of heterosexuality, sexual abstinence, and marriage.

Conservatives and liberals alike have celebrated TANF for dramatically reducing “welfare dependency.” In the 1990s, and during the first several years of TANF, poverty rates fell nationwide—largely as a result of the country’s near full-employment economy. But the economic improvements had begun before TANF was implemented, and when the economy turned sour after 2000, poverty rates began to rise again. Even as the country moved out of recession beginning in 2004, the percentage of families in poverty failed to fall.

So TANF had little effect on poverty. But ultimately, it was not an anti-poverty program. It was, instead, an anti-welfare program. In this respect, it met the expectations of conservative policymakers and represented an ideological victory for those who oppose government programs to reduce inequality. The rate of welfare receipt fell to record lows. In the decade following the enactment of TANF, welfare rolls nationwide dropped by nearly 60 percent.

One unintended consequence of the dramatic reduction of welfare benefits is that a rising number of poor people must rely on outside, unreported sources of income to make ends meet. As in previous periods in American history, the poor have ingeniously cobbled together resources—working, borrowing, and bartering—to survive. Such statistics testify both to the resilience and interdependence of poor families and to the absurdity of abstract notions of “dependency” (see Gerstel and Sarkisian, this volume). Welfare reform also forced poor people—especially poor women—into the types of menial work that seldom made ends meet, that made caring for children and family members difficult, and that arguably weakened rather than strengthened families.
While public policies encourage abstinence among poor teenage girls, fund church groups to promote Christian marriage, and attempt to reinvoke a work ethic among the poor by stiffening mandatory training and work requirements under TANF, structural changes in the economy continue to wreak havoc on poor people's lives. The deficiency of the last decade of welfare reform is that it rests on grand theories about human behavior rather than on an understanding of the real experience of the poor themselves. The obsession with personal morality, values, and behavior has blinded observers to the bleak reality that most poor people face, as well as to the lack of options they have in coping with this reality. Few scholars and fewer policymakers have any sense of the day-to-day struggles of poor families. The run-down apartments, boarded-up houses and vacant lots, crumbling schools, pothole-ridden streets, and abandoned factories that stand in virtually every inner city offer a powerful explanation for the persistence of poverty. They also explain why some people find themselves in situations where behaviors that might seem pathological in a middle-class suburb may be a necessary, if risky, way to get by—a temporary survival mechanism, not a deep-seated cultural value.

The current debate over family policy and welfare compresses the complex lives and strategies of poor people into a few simple buzzwords: "underclass," "dependence," "laziness," "family breakdown," "crime," "drugs." The precarious existence of poor people is forgotten inside the Beltway, in the corridors of state capitals, and on the green lawns of suburbia, as policymakers shape programs that are firmly rooted in unreality. While Democrats and Republicans quibble over the merits of two-or-five-year cutoffs for welfare beneficiaries, poor mothers lose their minimum-wage jobs because they have to spend time at home with sick children. Poor families struggle to survive in a hostile environment in which political leaders ignore their plight or blame it on the poor themselves, in an economy from which textile jobs have fled to Mexico and Haiti, from which electronics and toy manufacturing have vanished to China, and from which machinery jobs have been lost to a new generation of exploited third-world laborers.

Any serious discussion of today's urban crisis must confront the awful reality of the profound transformation of American cities over the past half-century. Instead, the emphasis on race, culture, behavior, and values allows elected officials to avoid grappling with the difficult, seemingly intractable structural problems at the root of contemporary urban poverty while demagogues earn easy political points by denouncing the poor for their deviance.

Poverty is ultimately an economic problem, not a cultural problem. Until public policy contends with the consequences of massive job loss, persistent racial segregation and discrimination, and growing income inequality, poverty will remain a pressing social problem, families will continue to suffer, and young people will only grow increasingly alienated and desperate. Devising effective policies to combat poverty and create remunerative work may be expensive, but the alternatives—joblessness, mass incarceration, chronic health problems, household instability, and crime—will prove far more costly in the long run.

NOTES

Thanks to Dana Barron and Stephanie Coontz for assistance on this essay and to Alice O'Connor for advice on a previous version.


24. William Julius Wilson, The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy (Chicago: University of Chicago Press, 1987), Wilson, a University of Chicago sociologist and director of the multiyear Chicago Poverty and Family Life project, has influenced a whole generation of recent scholarship on urban poverty.


