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May 5, 2011

Ron Haskins: Flat wages, a disturbing trend toward less work among poor men, and continued unwed childbearing show that our welfare reform efforts are nowhere near finished

A former White House and congressional advisor on welfare issues, Ron Haskins co-directs the Brookings Center on Children and Families. An expert on preschool, foster care, and poverty, he was instrumental in the 1996 overhaul of national welfare policy.



Anyone involved in the welfare reform negotiations on the Hill in the mid-1990s knows Ron Haskins. And anyone who has followed the debate since then about poverty and opportunity knows him as well. His reputation for being principled, data-driven, and fair-minded are well known.

As part of the [Clapham Group-ConservativeHome](#) series on conservatism, poverty, and opportunity, Ryan Streeter put 3 questions to Ron:

1. When you look out over the next 20 or 30 years, which socioeconomic trends worry you the most?
2. What do you think of the welfare provisions the Republicans included in their 2012 budget?
3. What can policymakers do to accelerate an increase in the earning power of low- and lower-middle income people in America?

As usual, Ron's words are instructive for those who want to understand the nature of poverty in America today and what we should do about it.

RS: You've long studied the sources of poverty in America. When you look out over the next 20 or 30 years, which socioeconomic trends worry you the most?

Haskins: Wages are definitely a problem. At the 10th percentile, wages have not increased in 3 decades. They've gone down, and they've gone up, but in 2008 they were basically at 1979 levels. In the middle of the income distribution, you get some increase and at the top the increases are very substantial. The problem is that we're always going to have people at the 10th percentile, so rising wages at the bottom of the distribution are important if you care about the poor.

Family composition, though, is another huge issue, which just about everyone has realized by now. Stated succinctly, the poverty rate in female-headed families is about five or six time the rate in married-couple families. Given that a relentlessly growing share of children live in female-headed families, the nation's poverty rate has a powerful force pushing it upwards. For example, 70% of black children are born to single parents. Hispanic nonmarital birth rates are close to 50%. The rate is also going up among whites. Divorce rates have been pretty steady since 1980s, so the biggest problem is nonmarital births.



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The rise of female-headed families is probably the single most important factor driving poverty in America.

We have good evidence on how to reduce non-marital births among teens, but much less among those in their 20s and older. The overall effect is that the birth rate among never-married women is still going up, though not as much as in past. But it's still a major part of the nation's poverty problem.

Middle class people with college degrees divorce at much lower rates than those with less education and rarely have nonmarital births. The old-fashioned way is still the best path: get married, stay married.

The differences in nonmarital birth rates and divorce rates by mothers' education has self-reinforcing effects. Middle class families are already ahead of the game because they're middle class; then they pass their values, high educational achievement, and family stability to their kids. Meanwhile, poorer families go in the other direction. Harvard's Kathy Edin has done important work on the impacts of frequent changes in household composition as part of Princeton's Fragile Families project. By age 5, children of never-married mothers will often have a sibling fathered by someone other than their own father living in their household and many additional mothers will have had live-in boyfriends. The result is you have this huge complexity of who's related to whom, what a family is, who can discipline the child, and so on. This household complexity and turmoil takes a toll on the children.

Another troubling factor influencing the poverty rate is non-work. I'm really concerned about this trend in America: a long, slow decline in what's called the employment-to-population ratio for adult males and especially young adult and minority males. The employment-to-population ratio is the percentage of the working-age population that is actually employed. The ratio has dropped slowly for males for the past 3 decades, well before the recessions of 2001 and 2007-09.

By contrast, work rates for single mothers in general and especially never-married mothers have increased substantially. The rate for never-married mothers, for example, increased 40% between 1995 and 1999, in large part because of welfare reform. Primarily as a result of these exploding work rates, the poverty rate of single mothers and their children dropped precipitously after 1994, reaching its lowest rate since we started record-keeping. Then, it went up after 2000, but even in 2009, after two recessions in ten years, the employment-to-population ratio was still 13% higher among women than it had been before welfare reform and their poverty rate was still much lower than before welfare reform. Work rates among single mothers is a positive story in the era of welfare reform, but work rates among males are not, and they're abysmal among young black males. This situation among males is bad and getting worse.

If you look at the population as a whole, work rates in the United States were always higher than those in Europe in terms of the employment-population ratio, but that has now changed. And it's driven by a long-term secular trend, especially among males, and more especially among black men.

When you roll stagnant wages at the bottom of the distribution, big declines in married-couple families, and falling work rates among males together, the outlook for significantly reducing poverty is really tough.

RS: The Republicans recently included a set of welfare provisions in their 2012 budget. What do you think of them?

Haskins: Since it's pretty much the Jordan bill that got rolled into Ryan's budget, I'll talk specifically about the Jordan bill itself. I love the bill's provision of having work requirements broadened. Having these requirements in Food Stamps is key. We should also have them in the housing programs, something Jordan doesn't seem to include in his bill. If we had work requirements in all 3 big poverty programs, we would touch just about everyone who's poor or has low income.

The mandatory work message was effective in driving the 1996 welfare reform

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law, and because of what I call the "work support system," rising work rates will automatically be effective in fighting poverty. Congress and a series of presidents of both parties have enacted or expanded programs, like the EITC and the child tax credit, that provide support to working families. We made lots of changes to Food Stamps when I was in Bush administration (probably 8 or 9 adjustments as I recall) to make it easier for working families to get this benefit. Now, some Republicans don't like this; they just want people off all welfare programs and working. But I think you need a strong work support system to provide work incentive to people who are going to enter the labor market with low-wage jobs and to help boost workers and their children out of poverty. It is expensive to provide these work supports, though.

With regard to the aggregate spending cap that is proposed in the Jordan bill – I'm leery of that. To make the cuts, legislation would probably have to remove the entitlement to food stamps, Medicaid, and perhaps some other programs, and that will provoke a huge political fight that will make Republicans look like they're balancing the budget on the backs of the poor. On the other hand, I am a huge hawk on the deficit and have consistently supported an approach in which congress enacts one huge bill that contains new revenues and a balanced set of cuts that affects every group in American society. Thus, I support cuts in programs for the poor as long as they are part of a plan that cuts programs that benefit other groups and takes a big step toward getting us out of our deficit pit.

The \$300 million grant awarded to states on a competitive basis is based on the idea that states can win additional dollars if they reduce poverty and increase self sufficiency. The problem is that differences across states are so great that the bonus is a challenge to implement. We tried this approach in the 1996 welfare reform bill by providing cash bonuses to states that reduced their teen pregnancy rates. The teen pregnancy rate kept going down in District of Columbia, so they won the bonus, and yet they didn't even make new efforts to reduce teen pregnancy. Rather, during those years the teen pregnancy rate declined among blacks across the nation for reasons that are still unclear, and since the District has such a high proportion of blacks they kept winning the bonus. The problem with bonuses is that our measures are too crude, and the reporting is often suspect. The idea is good, but it's just very hard to make it effective in inducing change at the state and local level.

RS: What can policymakers do to accelerate an increase in the earning power of low- and lower-middle income people in America?

Haskins: We need more work, period, at the lower end of the income scale.

For starters, people need at least to finish high school. Dropouts' wages have been going down for 2 decades. But getting disadvantaged youth to attain education beyond high school is tough. Our programs in this regard are only modestly successful at best. Giving grants to groups trying to improve the school achievement of the disadvantaged and to get them into postsecondary education, as the administration is doing, makes some sense, but in reality we've been trying to do that for decades with only minor success. I'm all for making these programs work if we can, but so far the programs have failed to boost college enrollment very much and the college dropout rate for disadvantaged kids is still a major problem. Frankly, we have a lot to learn before we can say we know how to take dropouts and help them get enough education to have an equal chance to earn high wages in the labor market.

A lot of the kids we're worried about don't have the ability to get a 4 year degree. But we should still make a national priority out of finding every last low-income kid with test scores good enough to get them into college. Why? Because low-income young people who get into college increase by about four times the odds that they'll make it to the top of the income distribution. Increasing Pell Grants seems to be a great idea, because succeeding in getting more poor children into and through a 4-year or 2-year college would probably have multi-generational effects. But we've had Pell Grants for many years and they haven't made more than a modest contribution to increasing both the college enrollment rates and graduation rates of kids from poor and low-income families.


Even so, education is a key to giving poor kids a shot at reaching the middle class and passing advantages on to their children. So we need to keep on experimenting until we find effective ways to improve preschool programs, K-12 programs, and postsecondary programs that will effectively increase opportunity for kids from poor families.

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