

Interdepartmental 423
&
Law 391
Poverty: A Research Seminar

1:00-3:00 M, W
Lewis Hall Classroom H

COURSE OVERVIEW

This seminar will examine the nature and extent of poverty in the U.S., its causes and consequences, and the antipoverty effects of existing and proposed government programs and policies. Our investigation will be interdisciplinary, drawing on insights from economists, sociologists, psychologists, philosophers, and public policy analysts. The types of questions to be addressed include the following:

What is poverty? Who are the underclass? Why is poverty so persistent? Is there a culture of poverty? Why are poverty rates for minorities so high? What are the interrelationships among poverty, family structure, inner city neighborhoods, crime, labor market conditions and public policies? Is poverty passed on from generation to generation? How has welfare reform changed the playing field? What are the effects of neighborhood, housing, education, labor market and welfare policies on poor adults and children? How might these policies be better designed to improve the economic prospects of poor adults and children?

The course will foster the development and use of critical thinking, effective writing, and oral presentation skills. Student evaluation will be based on preparation for class, participation during seminar meetings, and a paper project.

INSTRUCTOR: Stacy McLoughlin Taylor *Acting Director, Shepherd Program for the Interdisciplinary Study of Poverty and Human Capability*

CONTACT INFO.: Office Phone: (540) 458-8164
Room: Newcomb 21
E-mail: TaylorSM@wlu.edu

Office Hours: M,T,W,TH,F 3:00 p.m.-5:30 p.m. or by appt.

INSTRUCTOR: Art Goldsmith, *Jackson T. Stephens Professor of Economics*

CONTACT INFO.: Office Phone: (540) 458-8970
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OFFICE HOURS: M,W 10:00-12:00 and 3:00-4:00 or by appointment.

CLASS TIMES: Monday and Wednesday 1:00-3:00 (F and G hours)

CLASS LOCATION: Law School, Room H

REQUIRED READING AND PARTICIPANT RESPONSIBILITIES

The Course Pak that contains the readings for the course (composed of 4 books for ease of handling) is available for purchase from the Stacy Taylor.

Class discussion will be based on the **Reading** listed for that day, unless otherwise noted!

It is imperative that members of the seminar read the assigned readings in a timely (i.e., by the time class meets) and a professional or thorough fashion, since seminars only work when students are prepared. Members of the seminar will be asked to fill out an *Overview Paper Form* for each assigned reading prior to attending class (the form is provided by the instructor). The “Form” asks students to; identify the questions examined in the paper, briefly describe the fundamental ideas presented in the paper, set out the key findings of the paper, identify shortcomings of the analysis conducted in the paper, and to reflect on how the analysis might be extended. Completion of the *Overview Paper Form* is a student’s **ticket to attend class**. This requirement of the course is aimed at ensuring lively and insightful discussion during meetings of the seminar. (Will these be graded check plus, check, or check minus).

ISSUE PAPER

Seminar participants are required to produce an “Issue *Paper*” (It may be a problem and policy paper or a comparable humanities paper) over the course of the term. Students must start by identifying a question or issue they intend to explore and they are expected to obtain approval for the topic from the instructors. Students are expected to read widely from professional sources (i.e., journal) articles and books on their topic and this may be supplemented by material available in the media or off the web. Given this background students are to prepare a 8-10 page Issue *Paper* that must follow the following structure(humanities papers will follow a different structure developed with the instructor)

I. Introduction

This section must identify the issue to be examined--the question to be explored--and must make the case for why this is an important issue or problem to address.

II. Literature Review

This section describes what is known about this problem or issue in the professional literature and through journalistic (i.e., news media and web) sources. Evidence on the question(s) you are examining and related questions should be cited along with a brief description of the data used in these studies and the type of analysis conducted.

III. Analysis of the Problem

This section must contain a discussion of the likely impact of one or more changes or developments on the problem under examination. This analysis should be guided by insights from one or more disciplines. This section is where you offer

further insights about the cause and consequences of the problem you have chosen to examine. At the end of this section you are to draw some conclusions based on your inquiry.

IV. Policy Recommendation(s)

This section should set out one or more policy recommendations to address (i.e., reduce and possibly eliminate) the problem or issue examined in the paper.

Seminar participants are expected to have two faculty mentors for their project (one of the two course instructors, and another faculty member with expertise in the area of their project).

Law Students: To receive credit toward the writing requirement, you are expected to do a more substantial research paper (approximately 25 pages.) Please see Stacy McLoughlin Taylor if you are interested in this option.

The *Problem and Policy Paper* is **due at 5:00 p.m. Friday March 22nd**, 2006--no exceptions!! A copy of the paper is to be provided at that time to both the faculty mentors and the student who will comment on their paper during the "*Paper Presentation Session*." Students are expected to provide their mentors with an update on the status of their paper throughout the term (of course students are welcome to discuss their work with the instructor during normal office hours, or during an appointment, as often as they like). It is essential that students complete each component of the paper project in a timely fashion. Each student is required to present their paper (for 15 minutes) and to comment on another student's paper during a "*Paper Presentation Session*" session the last week of the term.

GRADING

Final grades are based on a weighted average of: class participation (33%), *Overview Paper Form* performance (33%), and research paper (33%).

Optional Readings for Review

These should be a review from INTR 101.

Measuring Poverty

Questions of measurement often seem tedious and irrelevant. However, deciding who is poor and who is not poor is important. First, any definition of poverty embodies a set of assumptions about what constitutes economic need. Policy decision-makers need to be aware of these assumptions. Second, we often decide who is or is not eligible for aid by our definition of poverty. Third, if we are to monitor the effectiveness of interventions designed to reduce or eliminate poverty, we need to be able to measure the extent of poverty before and after the interventions.

1. Gary Burtless and Timothy Smeeding. "The Level, Trend, and Composition of American Poverty." In *Understanding Poverty*. Chapter 1.
2. Nicholas Eberstadt. "The Poverty Rate: America's Worst Statistical Indicator," *American Enterprise Institute: On the Issues*, March 1, 2002, pp. 1–2.

3. Measuring Poverty: A New Approach," *Focus: Newsletter of the Institute for Research on Poverty*, 1995.

Work Disincentives and Welfare Dependence.

4. Rebecca Blank, *It Takes a Nation*, Chapter 3, and Chapter 4 (pp. 135-161, and 174-176-- outlines influence of anti-poverty programs pre-1966 (AFDC) on; work, marriage, and fertility).
5. A. Sen, 1983. "Poor Relatively Speaking" *Oxford Economic Papers*, 35(2), pp. 153-169.

COURSE SCHEDULE

PART I: WHO ARE THE POOR, AND WHY STUDY INEQUALITY?

Topic 1: Why Should We Care About Inequality?

Class #1: Monday January 9, 2006.

1. Christopher Jencks, Winter 2002. "Does Equality Matter?" *Daedalus*, pp.49-65.
2. Susan E. Mayer and Christopher Jencks, Winter 1989. "Poverty and the Distribution of Material Hardship," *Journal of Human Resources*, (24(1), pp. 88-114.

Topic 2: Is Poverty a Short-Run or Long-Run Phenomena?

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

Class #2: Wednesday January 11, 2006.

Reading

1. Mary Corcoran, "Mobility Persistence, and ..." In, *Understanding Poverty*, pp. 127-140.
2. Mary J. Bane and David Ellwood, 1986. "Slipping Into and Out of Poverty: The Dynamics of Spells," *Journal of Human Resources*, 21(1), pp. 1-23.

Class #3: Friday January 13, 2006.

Guest Speaker: Professor Melina Bell, Department of Philosophy, Washington and Lee University

"Philosophical Perspectives on Inequality"

Reading

John Rawls, *A Theory of Justice*, Ch. I: Justice as Fairness, Sections 1-4.

John Rawls, *Justice As Fairness: A Restatement*, Sections 13, 17 & 18.

PART II: ALTERNATIVE PARADIGMS TO EXPLAIN POVERTY

Topic 3: Economic--Labor Market--Explanations for Poverty

Class #4: Monday January 16, 2006.

Reading

1. Robin Bade, and Michael Parkin, 2004. "Demand and Supply in Factor Markets (Chapter 18)," in *Foundations of Economics*, Addison Wesley: Boston, pp. 441-453.

(Lecture in class by Professor Goldsmith).

Topic 4: *Institutional--Structural*--Explanations for Poverty

Class #5: Wednesday January 18, 2006.

Reading

1. Campbell McConnell and Stanley Brue, "Critiques of Orthodox Wage Theory (Chapter 16)," in *Contemporary Labor Economics*, McGraw Hill, 1992, pp. 448-474.
2. Sarah Crow, Mary E. Harrington, and Catherine G. McLaughlin, "Health Insurance and Vulnerable Populations: Racial and Ethnic Minorities, Immigrants, and People with Chronic Mental Illness." Economic Research Initiative on the Uninsured, University of Michigan, October 2002.

Topic 5: "Early" Cultural Explanations for Poverty

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

Class #6: Monday January 23, 2006.

Reading

1. M. Katz. *The Undeserving Poor*, chapter. 1.
2. Oscar Lewis, October 1966. "The Culture of Poverty," *Scientific American*, 215(4), pp. 19-25.
3. William J. Wilson. *When Work Disappears*, Chapters 1. Alfred Knopf. 1996.

Topic 6: Wilson's Social Isolation Explanation for Poverty

Class #7: Wednesday January 25, 2006.

Reading

1. William J. Wilson. *When Work Disappears*, Chapters 2-5. Alfred Knopf. 1996.

Topic 7: Wilson Revisited: Neighborhoods, Social Capital, Opportunity and Poverty

Special Class Meeting

Class #8: Friday January 27, 2006.

Reading

1. Paul Jargowsky, 2003. "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s," *The Brookings Institution*, pp. 1-24.
2. James Coleman. 1989. "Social Capital and the Creation of Human Capital." *American Journal of Sociology*, 94, pp. S95-S120.

Class #9: Monday January 30, 2006.

Guest Speaker: Professor Edward Olsen, Department of Economics, University of Virginia.

12:00-1:00 (Elrod Center Room 345--lunch served)

"Housing the Poorest Katrina Victims"

4:00-5:30, Northen Auditorium

"Reform of Low Income Housing Policy"

Topic 8: Economic Explanations Revisited: The Increasing Importance of Skill

Class #10: Wednesday February 1, 2006.

Reading

1. Hilary Hoynes, 1999. "The Employment, Earnings, and Income of Less Skilled Workers over the Business Cycle." *Focus*, 20(3), pp. 31-36.
2. John Bound and Richard Freeman, 1992. "What Went Wrong? The Erosion of Relative Earnings and Employment of Young Black Men in the 1980's." *Quarterly Journal of Economics*, 107, pp. 201-232. **(read beginning)**.
3. Rebecca Blank. 1997. *It Takes a Nation*, Chapter 2 (Section 2.3 and 2.4, pgs. 60-75 provides a good overview of labor market changes 1967 -1993).

4. Sheldon K. Danziger et al., 1999. "Barriers to Work Among Welfare Recipients." *Focus*, 20(2), pp. 31-35.

Class #11: Friday February 3, 2006.

1:00-3:00, Lewis Hall Classroom H

Guest Speaker: Professor Ngina Chiteji, Department of Economics, Skidmore College.
"Acknowledging The Presence of Grandparents in a Child's Life: A Treatise on the Extended Family"

Reading

1. Tamar Lewin, July 14, 2005. "*Financially Set, Grandparents Help Keep Families Afloat, Too.*"

Topic 9: Economic Explanations Revisited: Labor Market Discrimination and Poverty

Class #12: Monday February 6, 2006.

Reading

1. William A. Darity and Patrick L. Mason, 1998. "Evidence on Discrimination in Employment: Codes of Color, Codes of Gender," *Journal of Economic Perspectives* 12(2), pp. 63-90.
2. **Becker's theory of Discrimination—get from econ of race and ethnicity**

Presentation: Professor Goldsmith
"Skin Shade and the Wages of Blacks in the U.S."

Special Class Meeting

Class #13: Tuesday February 7, 2006.

6:00-7:30, Lewis Hall Classroom H

Guest Speaker: Professor Tim Jost, *Robert L. Willett Family Professor of Law*, Washington and Lee University
"Understanding Medicare Reform"

Reading

1. Tim Stoltzfus Jost, 2005. "The Most Important Health Care Legislation of the Millennium (So Far): The Medicare Modernization Act, *Yale Journal of Health Policy, Law, and Ethics*, 1, pp. 438-449

PART III: RESPONDING TO POVERTY: NON WELFARE APPROACHES

Topic 10: Policies to Increase The Human Capital of Adults

Schooling and skills are positively associated with adult economic success. The economic returns to schooling and skills rose sharply in the 1980s and remained high throughout the 1990s. One way to improve individuals' economic prospects is via programs that promote human capital development. What do we know about skill accumulation and poverty reduction?

Class #14: Wednesday February 8, 2006.

Reading

1. Lynn A. Karoly. 2002. "Ch. 9: Investing in the Future: Reducing Poverty Through Human Capital Investments" *Understanding Poverty...*, pg. 314-358.
2. George J. Borjas, 2001. "Long-Run Convergence of Ethnic Skill Differentials, Revisited." *Demography*, 38(3), pp. 357-361.
3. Goldsmith- Lecture on language skills and immigration (maybe Darrick Hamilton on immigration)

UNDERGRADUATE BREAK, February 11th--19th No Class

Topic 11: Policies to Increase Employment and Earnings of Low Skilled Workers and Policies to Improve Neighborhoods

What kind of labor market and tax policies might increase low skilled workers' abilities to get and keep jobs, and make work more rewarding? Do placing low-skilled workers with temporary help agencies, health insurance programs, employer-based and/or employee based wage subsidies, public employment programs, affirmative action, and financial incentive programs work?

Class #15: Monday February 20, 2006. Evening Session: 5:30 p.m.-7:00p.m.

Guest Discussion Leader: Professor Kara Levine, Department of Economics, Washington and Lee University

Reading

1. Robert Greenstein, 2005. "The Earned Income Tax Credit: Boosting Employment, Aiding the Working Poor, Center on Budget and Policy Priorities," pp. 1-8.
2. David T. Ellwood, 2000. "The Impact of the Earned Income Tax Credit and Social Policy Reform Changes on Work, Marriage and Living Arrangements in the United States." *National Tax Journal*.

3. Ronald F. Ferguson, "Community Revitalization, Jobs, and the Well-Being of the Urban Poor." *Understanding Poverty*, Chapter 12.
4. Micere Keels, Greg J. Duncan, Stephanie Deluca, Ruby Mendenhall, and James Rosenbaum, "Fifteen Years Later: Can Residential Mobility Programs Provide A Permanent Escape from Neighborhood Segregation, Crime, and Poverty?" Joint Center for Poverty Research Working Paper No. 330. March 2003
5. James Rosenbaum, 1995. "Changing the Geography of Opportunity by Expanding Residential Choice: Lessons from the Gautreaux Program." *Housing Policy Debate*, 6(1), pp. 231-269.

PART IV: RESPONDING TO POVERTY: WELFARE POLICIES

Topic 12: The "War on Poverty"--Alternative Ideological Perspectives and Policies

Prior to welfare reform, some analysts claimed that Aid to Families with Dependent Children was generating a harmful subculture—the "welfare culture" which led girls to bear children out-of-wedlock and to go on welfare and led boys to father children and not take responsibility, to be idle, and to hang out.

Class #16: Wednesday February 22, 2006.

Reading

1. Michael Katz, Chapter 3 -- "Intellectual Foundations of the War on Poverty," In, *The Undeserving Poor*, New York, NY: Pantheon Books, 1989.
2. Lawrence Mead, "*The Social Obligations of Citizenship (chapter 4)*," In, *Beyond Entitlement*. Free Press. 1986.

Topic 13: Welfare: The 1996 Reforms and Afterwards

Class #17: Friday February 24, 2006.

Reading

1. Maria Cancian, Robert Haveman, Dan Meyer, and Barbara Wolfe, "Before and After TANF: The Economic Well-Being of Women Leaving Welfare." Working paper, December 1999.
2. Virginia Knox, Cynthia Miller, and Lisa A. Gennetian. "Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program" MDRC. September 2000.
3. Sheldon Danziger, Colleen Heflin, Mary Corcoran, Elizabeth Oltman, and Hui-Chen Wang, 2002. "Does it Pay to Move from Welfare to Work?" *Journal of Policy Analysis and Management*.

Class #18: Monday February 27, 2006.

Reading

1. Sheldon K. Danziger and Kristin Seefeldt, 2002. "Barriers to Employment and the 'Hard-to-Serve': Implications for Services, Sanctions, and Time Limits." *Focus*, 22(1): pages 76-81.
2. Robert Moffitt, 2002. "From Welfare to Work: What the Evidence Shows." *Brookings Institute, Welfare Reform and Beyond Policy Brief #13*.

Topic 14: Moral Justification of the Welfare State

Class #19: Wednesday March 1, 2006.

Guest Speaker: Harlan Beckley, Acting President & Founding Director of the Shepherd Poverty Program, Washington and Lee University

"Justification of the Welfare State: An Ethical and Philosophical Perspective"

Readings

1. Harlan Beckley, 2001. "Moral Justifications for the Welfare State," Presidential Address, *The Annals of the Society of Christian Ethics*, 21, pp. 3-22.
2. Raymond Plant, 1992. "A Defense of Welfare Rights," in *Economic, Social and Cultural Rights: Progress and Achievement*, ed. Ralph Beddard and Dilys M. Hill, pp. 22-46.
3. Donald Moon, 1988. "The Moral Basis of the Democratic Welfare State," *In Democracy and the Welfare State*, ed. Amy Gutmann, pp. 27-52.

Topic 15: The Constitution and Entitlement

Is there any constitutional basis to argue for unconditional social benefits such as welfare? Should there be?

Class #20: Friday March 3, 2006.

Guest Speaker: Ron Krotoszynski, Professor of Law, Washington and Lee University

"Positive Welfare Rights and the Constitution"

Reading

1. U.S. Supreme Court, *San Antonio School District v. Rodriguez*, 411 US 1 (1973).
2. *Dandridge, Chairman Maryland Board of Public Welfare et. al v. Williams et. al*, 131(1969).
3. *Goldberg, Commissioner of Social Services of the City of New York v Kelly et. al*, no. 62 (1970).

PART V: CRITIQUES OF WELFARE POLICIES--FOCUSSING ON FAMILIES AND CHILDREN

Topic 16: Poverty, Welfare, and Marriage

Class #21: Monday March 6, 2006.

Reading

1. Isabel V. Sawhill and Adam Thomas. 2002. "For Richer or for Poorer: Marriage as an Antipoverty Strategy." *Journal of Policy Analysis and Management*. 21(4), pp. 1-25.
2. Daniel T. Lichter, Deborah, R. Graefe, and J. Brian Brown, 2003. "Is Marriage a Panacea? Union Formation Among Economically Disadvantaged Unwed Mothers." *Social Problems*. 50(1), pp. 60-86.
3. Kristin Seefeldt and Pamela Smock. 2003. "Marriage on the Public Policy Agenda: What do Policy Makers Need to Know From Research?" Working Paper, National Poverty Center.

Topic 17: Poverty, Welfare, and Children

Most researchers simply compare two-parent families to mother-only families when assessing affects of family structure on child well-being. But there is considerably more diversity to family structure than this simple dichotomy implies. Furthermore, parents who stay together are different from parents who split up or never marry in the first place. This diversity and non-random selection complicates assessing effects of family structure on children.

Class #22: Wednesday March 8, 2006.

Reading

1. Vonnie McLoyd, 1998. "Socioeconomic Disadvantage and Child Development," *American Psychologist*, 53 (2), pp. 185-204.
2. Elizabeth Clark-Kauffman, Greg J. Duncan, and Pamela Morris, May 2003. "How Welfare Policies Affect Child and Adolescent Achievement." *American Economic Review*, 93(2), Papers and Proceedings, pp. 299-303.

**LAW BREAK, March 13th -18th
No Class**

Class #23: Monday March 20, 2006.

Reading

1. P. Lindsay Chase-Lansdale, et. al., March 2003. "Mothers' Transitions from Welfare to Work and the Well-being of Preschoolers and Adolescents." *Science*, 7, pp. 1548-1552.
2. Sara McLanahan. Summer 1994. "The Consequences of Single Motherhood," *The American Prospect*, 18, pp. 48-50.
3. Anne Case, Angela Fertig, and Christina Paxson, 2005. "The Lasting Impact of Childhood Health and Circumstances," *The Journal of Health Economics*, 24, pp. 365-389.

Topic 18: Poverty, Welfare, and Religion

Class #24: Wednesday March 22, 2006.

Reading

1. Carol J. De Vita and Sarah Wilson, 2001. "Faith-Based Initiatives: Sacred Deeds and Secular Dollars," Washington, D.C., The Urban Institute
2. Robert E. Rector and Melissa G. Pardue, March 26, 2004. "Understanding the President's Healthy Marriage Initiative," *Backgrounder 1741*, pp. 1-13.

Special Class Meeting

Class #25: Thursday March 23, 2006.

4:00-5:30, Elrod Center Room 345

Guest Speaker: Professor Janet Currie, Department of Economics, University of California at Los Angeles and Columbia University

"Early Childhood Developmental Intervention Programs: What Do We Know?"

Class #26: Monday March 27, 2006.

4:00-5:30, Elrod Center Room 345

Guest Speaker: Mary Corcoran, Professor of Political Science, Sociology, and Women's Studies, University of Michigan

"Early Childhood Developmental Intervention Programs: What Do We Know?"

Class #27: Wednesday March 29, 2006.

"Paper Presentation Session #1: 1:00-2:15" (3 presentations and comments)

"Paper Presentation Session #2: 2:30--3:45" (3 presentations and comments)

Class #28 Continued--Evening Session: Wednesday March 29, 2006.

"Paper Presentation Session #3: 6:00-7:15" (3 presentations and comments)

"Paper Presentation Session #4: 7:30--8:45" (3 presentations and comments)

Class #29: Friday March 31, 2006.

“Paper Presentation Session #5: 1-2:15” (3 presentations and comments)

“Paper Presentation Session #6: 2:30--3:45” (3 presentations and comments)

Friday March 31, 2006

Survivors Party, 5:00-7:00 at the Home of Art Goldsmith and Jan Kaufman