POVERTY, NOT THE POOR

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October 16, 2020

The Problem of Persons

"The idea that poverty is a problem of persons—that it results from moral, cultural, or biological inadequacies—has dominated discussions of poverty for well over two hundred years and given us the enduring idea of the undeserving poor."

Michael Katz (2013: 269) *The Undeserving Poor*

U.S. Has Always Had Systemically High Poverty
(Source: LIS)

Legend: Average of Other Rich Democracies — USA
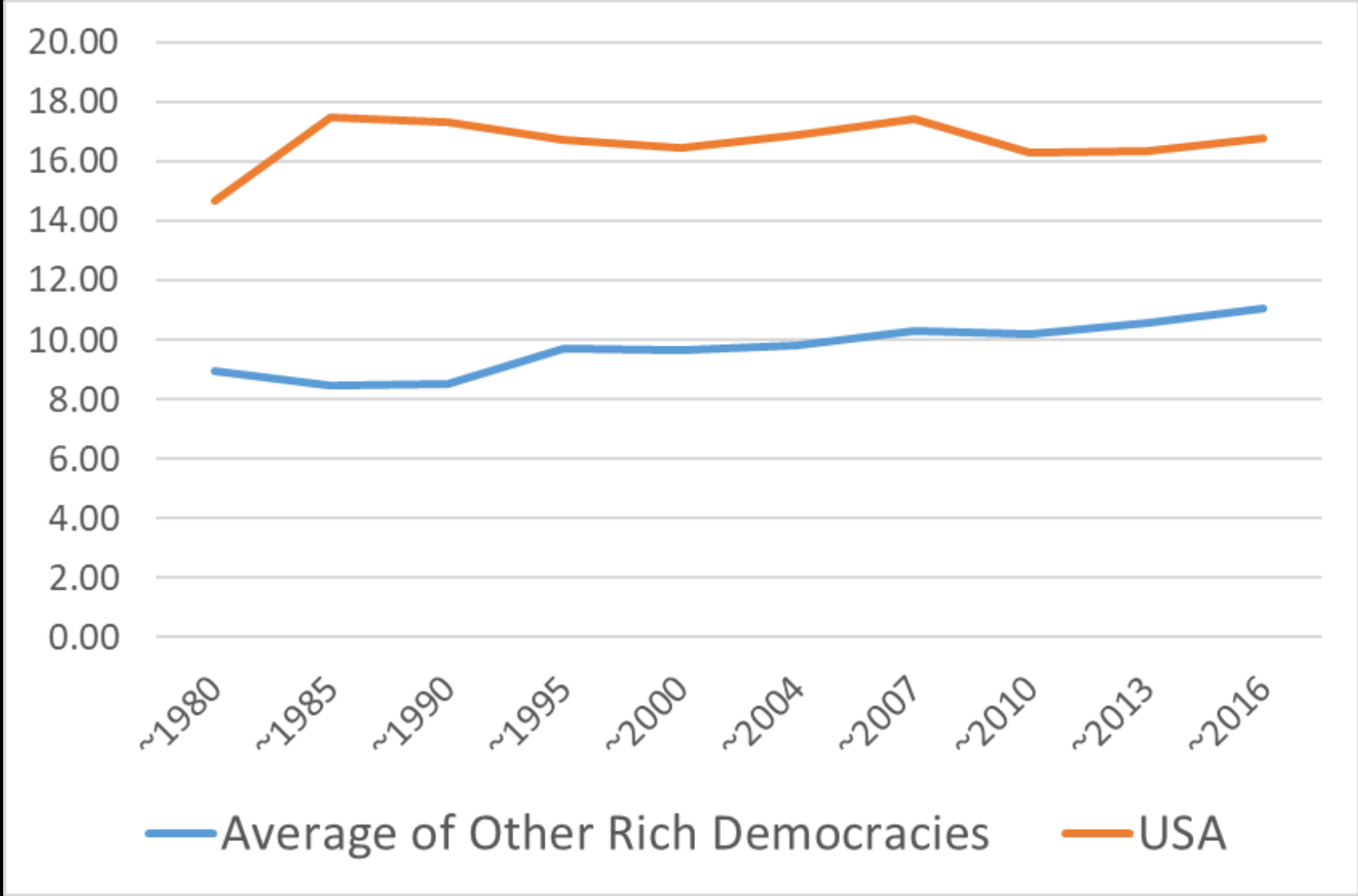
Outline

1. **Understanding of THE POOR is Dominated by Individualistic Problem of Persons**
   a) **Fixing the Poor: Behavioral Explanations**
   b) **Dramatizing the Poor: Emotive Samples**

2. **Political Theories: Better Understanding of Systemically High POVERTY**

FIXING THE POOR: BEHAVIORAL EXPLANATIONS

Behavioralism Dominates From Right to Left

- Tanner (2014) "We have a pretty good idea of how to get out of poverty and how to stay out of poverty. Number one is, finish school. . .Number two is, if you're a woman and you're not married, don't have a baby. . .And number three is jobs."

- AEI-Brookings (2015) *Consensus Plan for Reducing Poverty and Restoring the American Dream*: Marriage & Delayed Parenthood, Employment & Education

- Sawhill's Success Sequence (2003) "Those who graduate from high school, wait until marriage to have children, limit the size of their families, and work full-time will not be poor."

- Fragile Families: Why Low-income Couples Fail to Contracept, Conceive Children Out of Wedlock, and Fail to Get Married

Behavioral Theories (Brady 2019)

- **Individual Behavior is the <u>KEY</u> Mechanism**

- **Behavior Caused by Incentives, Culture & Maybe Traits**

- **Poverty Has Feedback Effects**
  - **Bad Incentives (e.g. Traps)**
  - **Intergenerational Cultural Reproduction**
  - **Wear & Tear on Traits (e.g. Health, Cognitive Burden, Present Bias)**

a Behavioral theories

Incentives → Behavior → Poverty

Culture → Behavior
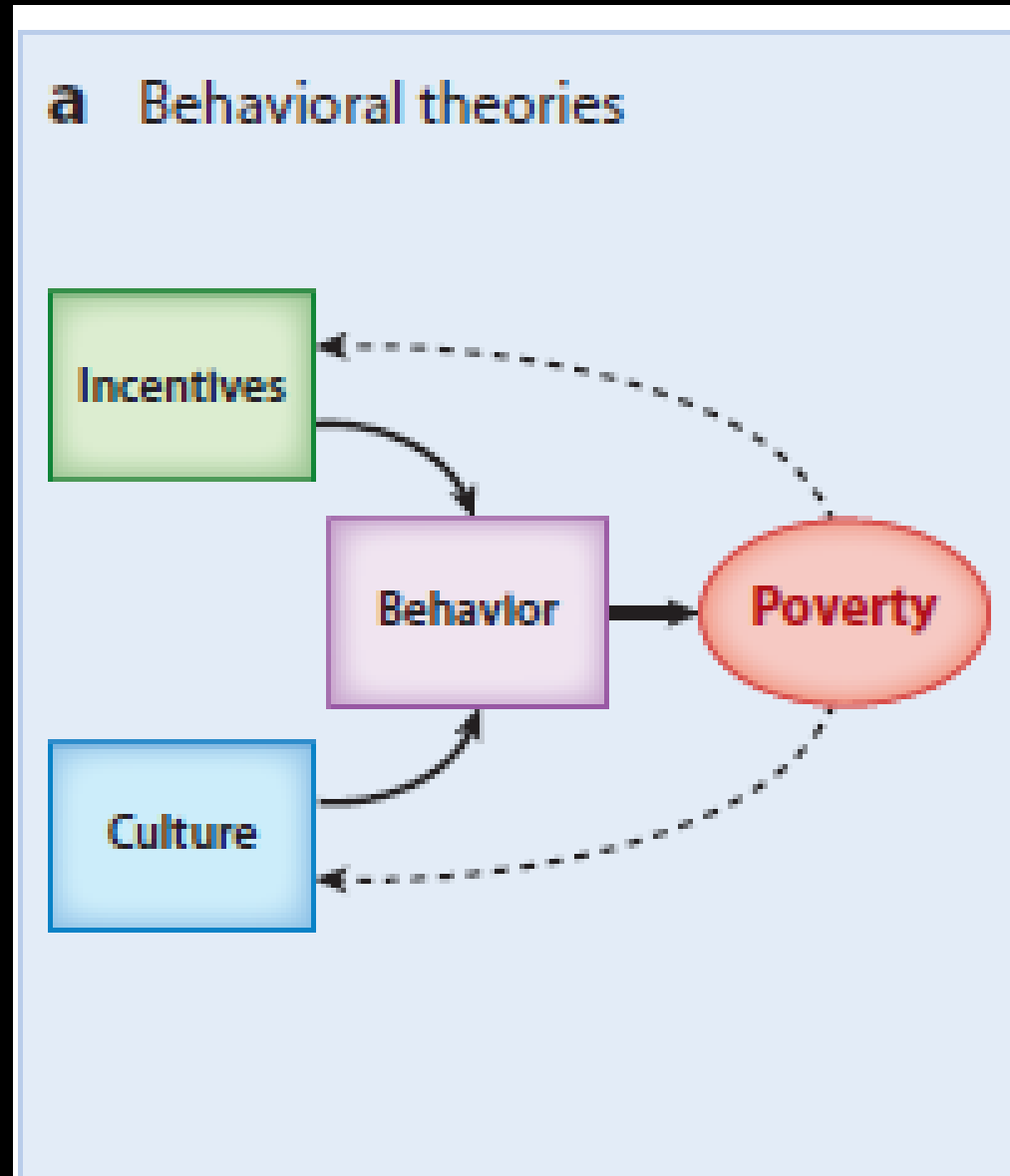
Problems of Behavioral Theories

- ## Set Aside Obvious Problems
  - ### Not Compared Against Alternative Theories, Lack of Comparative Research Designs, Hopeless Endogeneity

- ## Focus On Essential Problems
  1. Behavior -> Poverty Is Unreliable
  2. Prevalence of Bad Behavior Cannot Explain Systemic Patterns at Macro-Level
 3. Ignores Political Moderation of Penalties

The Prevalences & Penalties (PP) Framework
(w/ Finnigan & Huebgen)

- **Framework for Scrutinizing Four Paramount Risks**
  - Single Motherhood, Unemployment, Young Headship, Low Education

- **Prevalence**
  - The Share of Population with a Poverty-Increasing Characteristic
  - Mostly Behavior

- **Penalties**
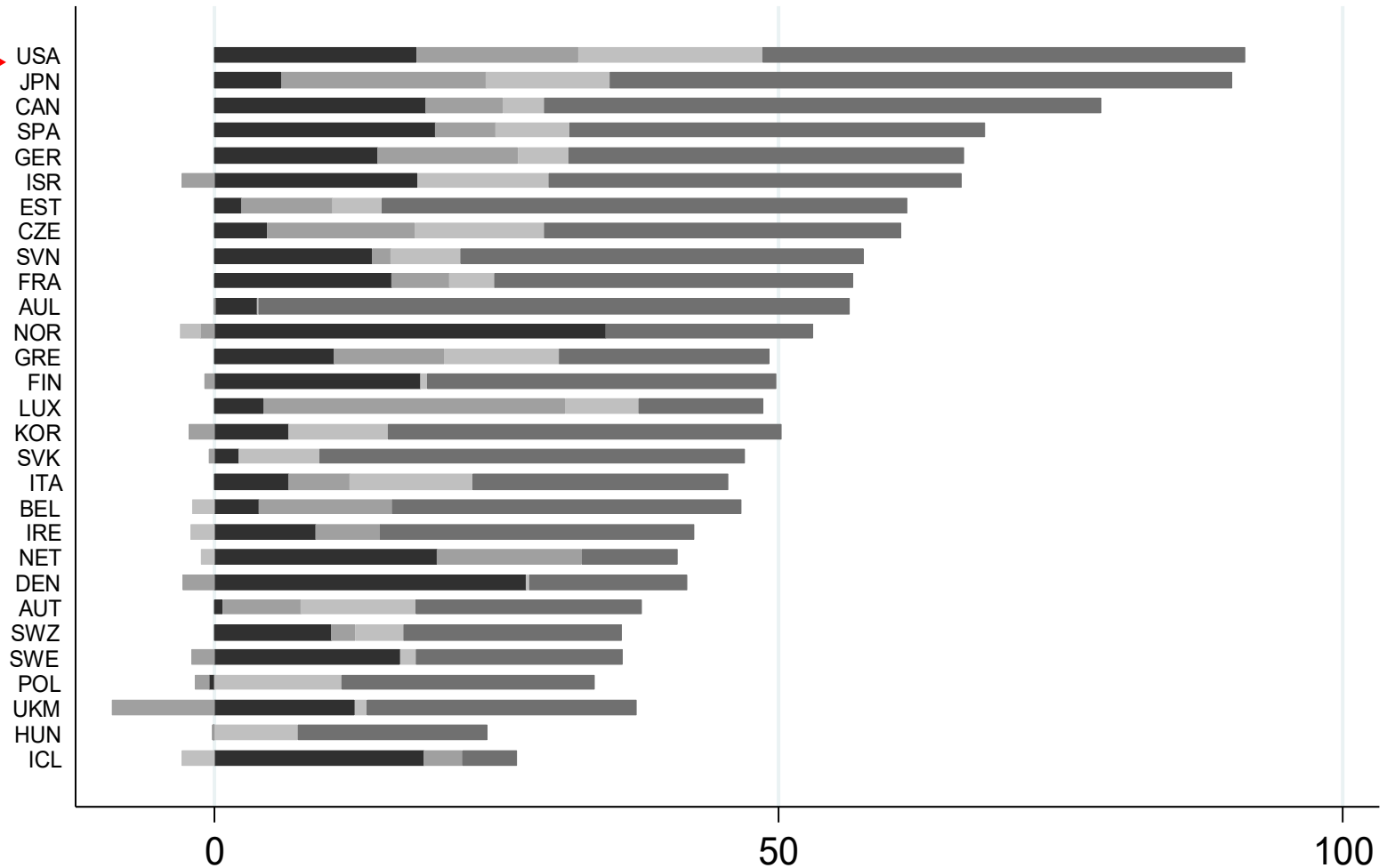 - Increased Probability of Poverty Associated with Risk
  - Mostly Politics

Coefficients of Variation for Prevalences and Penalties
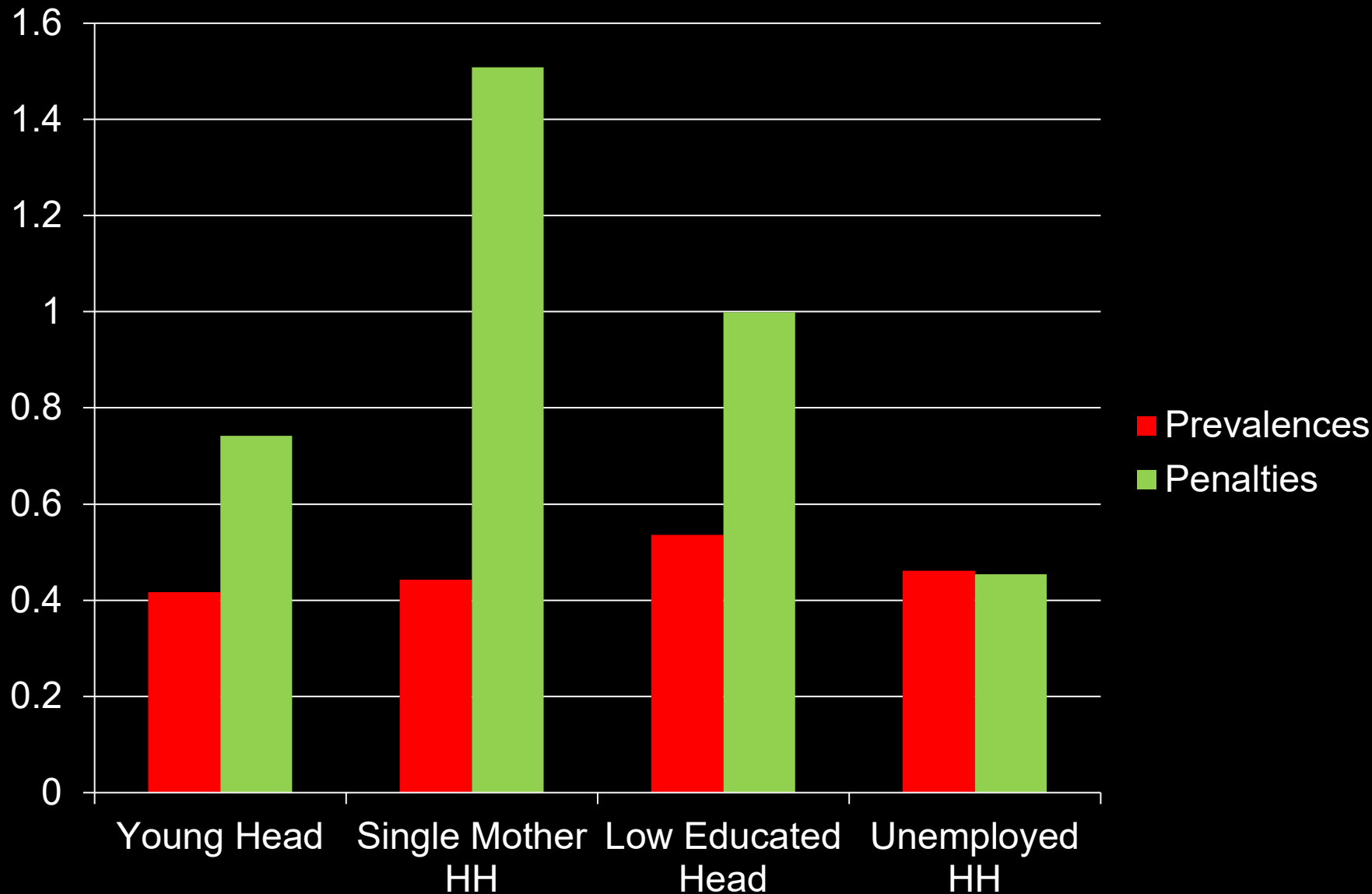
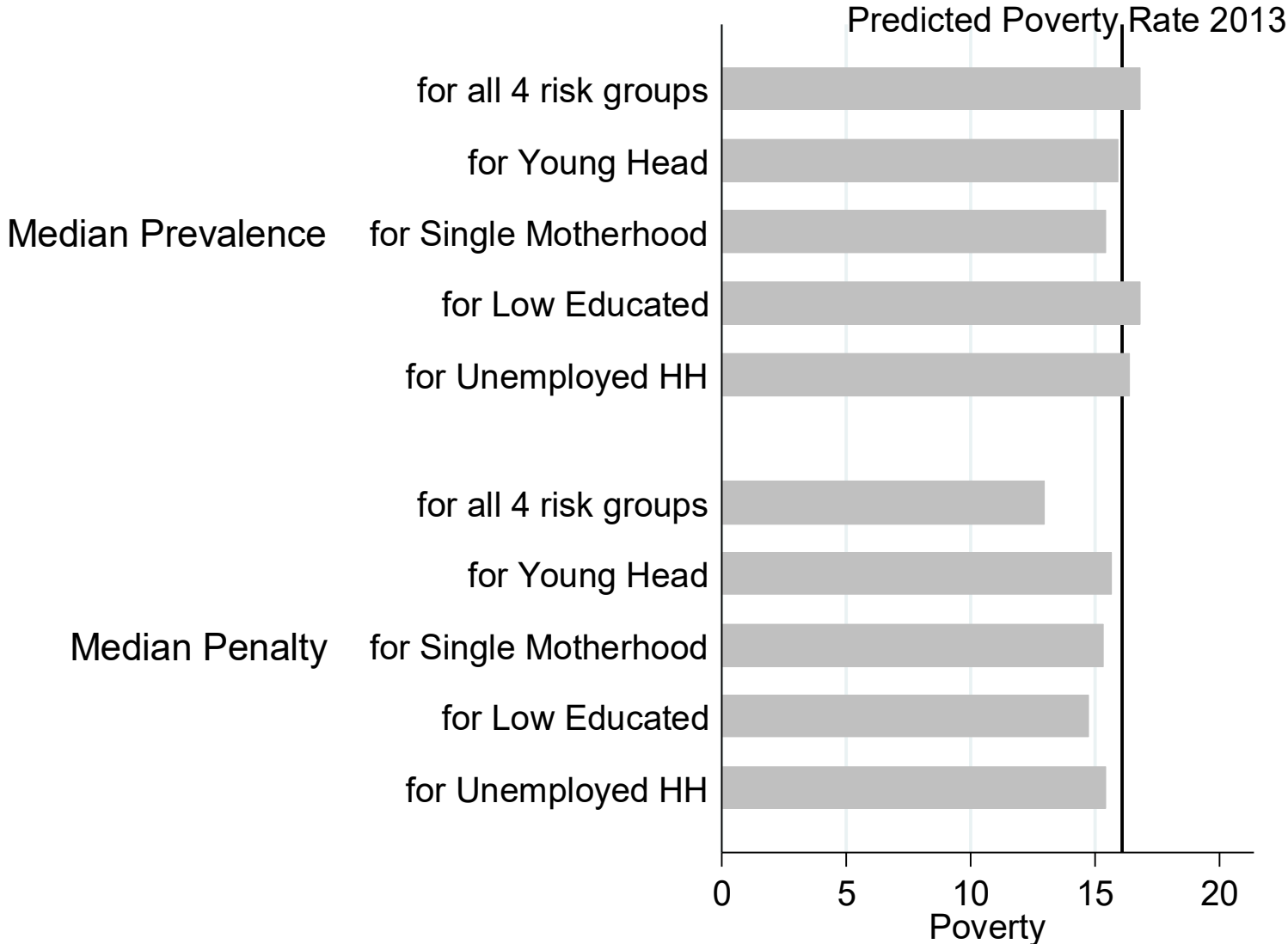# PREVALENCES OF RISKS

PENALTIES FOR RISKS

|	Young Head		Single Motherhood
	Low Educated		Unemployed HH
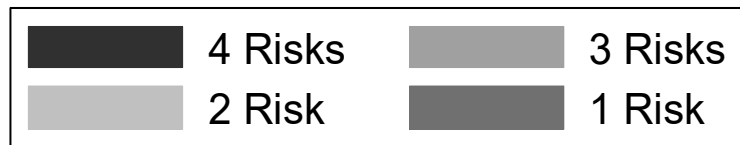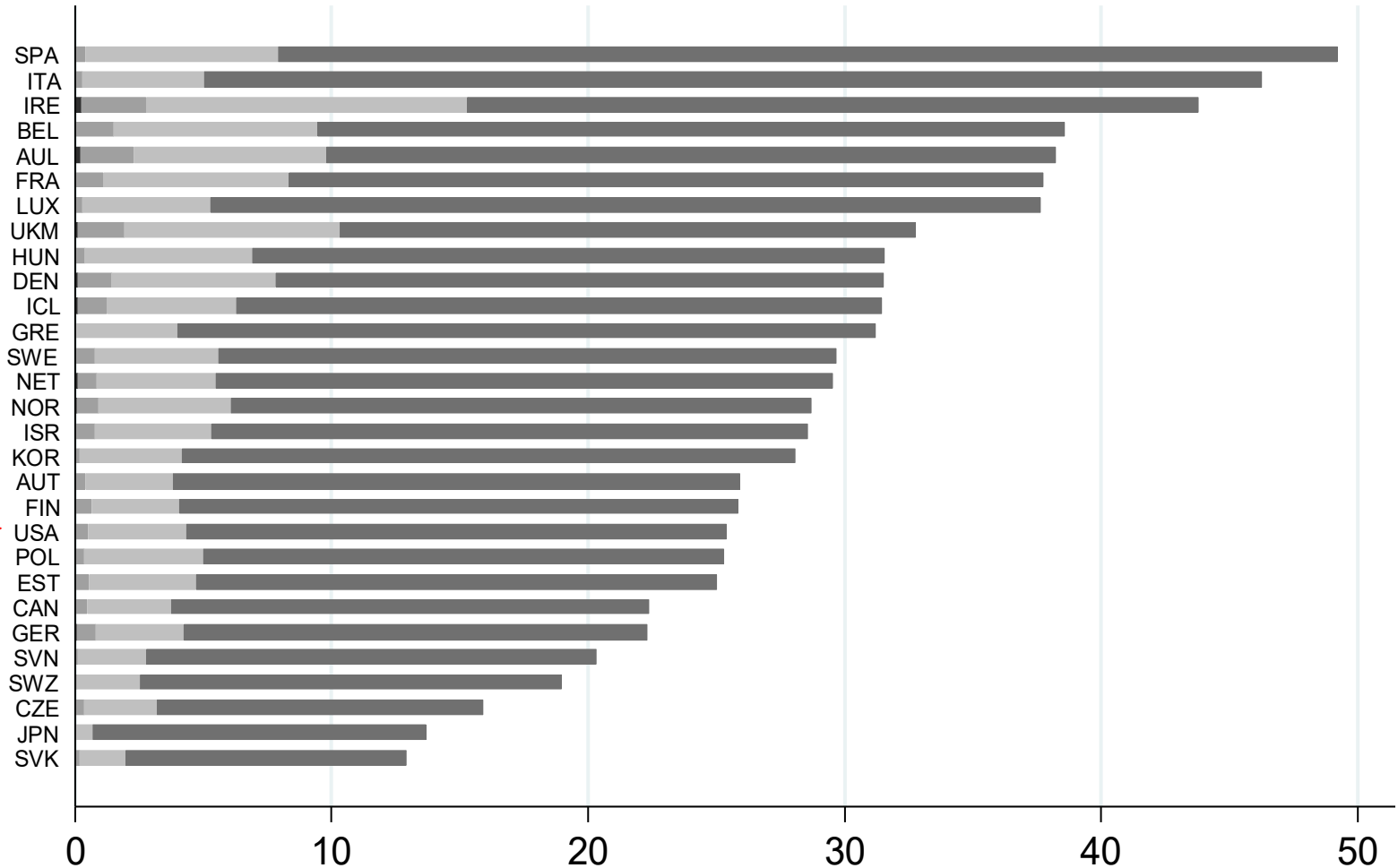
What Would Happen to US Poverty If We Had Cross-National Median Prevalences or Penalties?

BUT, Surely Single Motherhood Explains Why the U.S. Has High Child Poverty (w/ Baker & Finnigan)

- Garfinkel & McLanahan (1986) "New American Dilemma"
- Wilson (1987): "The rise of female-headed families has had dire social and economic consequences because these families are far more vulnerable to poverty than other types of families."
- Ellwood and Jencks (2004): "Those whose primary goal is to reduce child poverty should mainly worry about the increased proportion of children living with only one adult."

- **How Much Lower Would U.S. Child Poverty Be With a Lower Prevalence of Single Motherhood?**
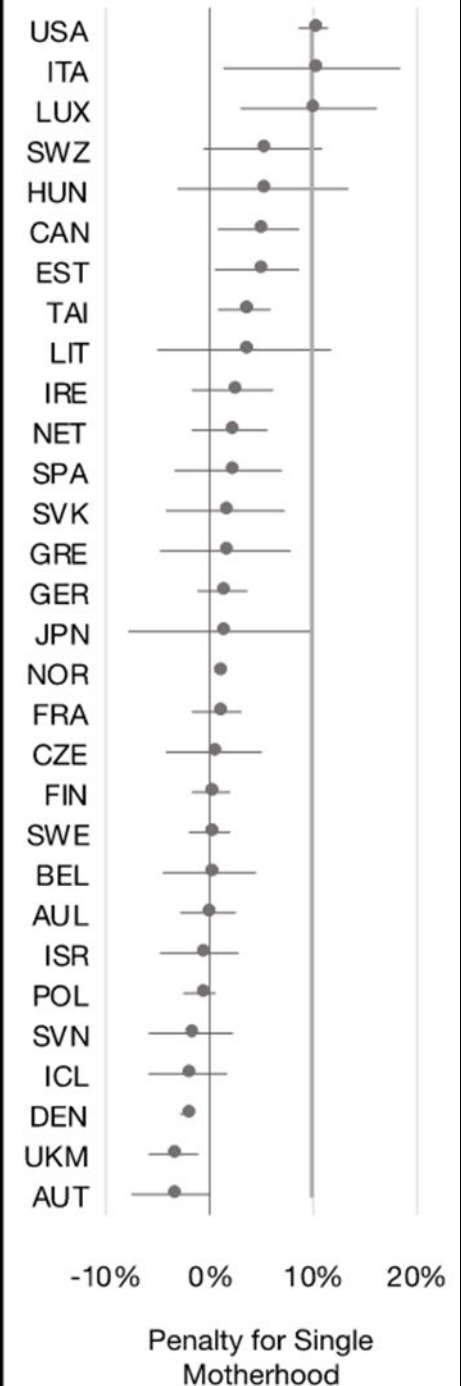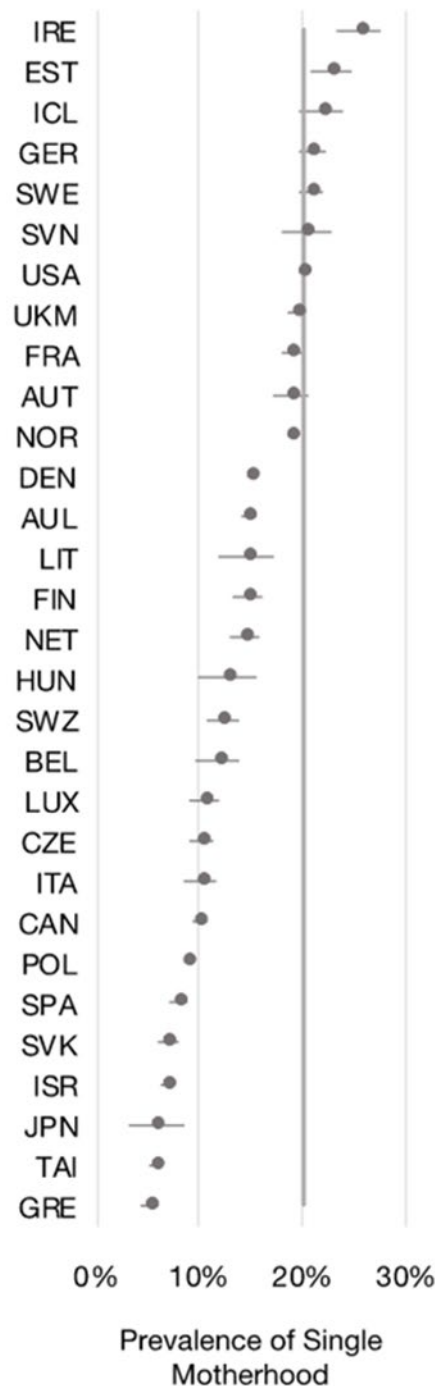
The U.S. Has Systemically High Child Poverty
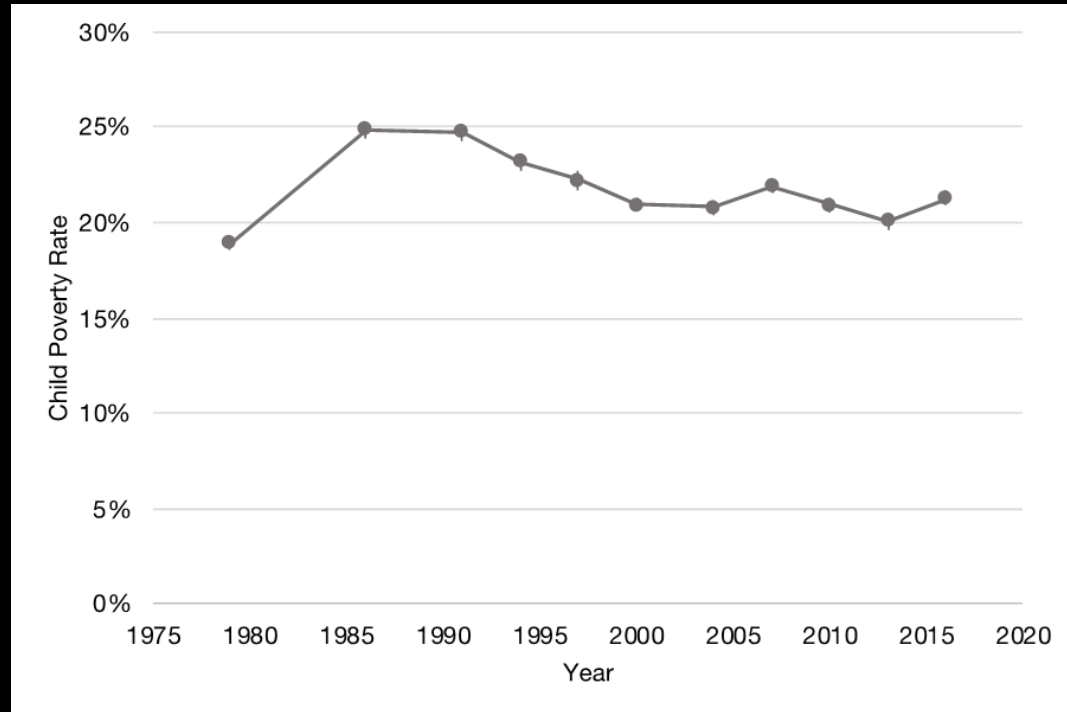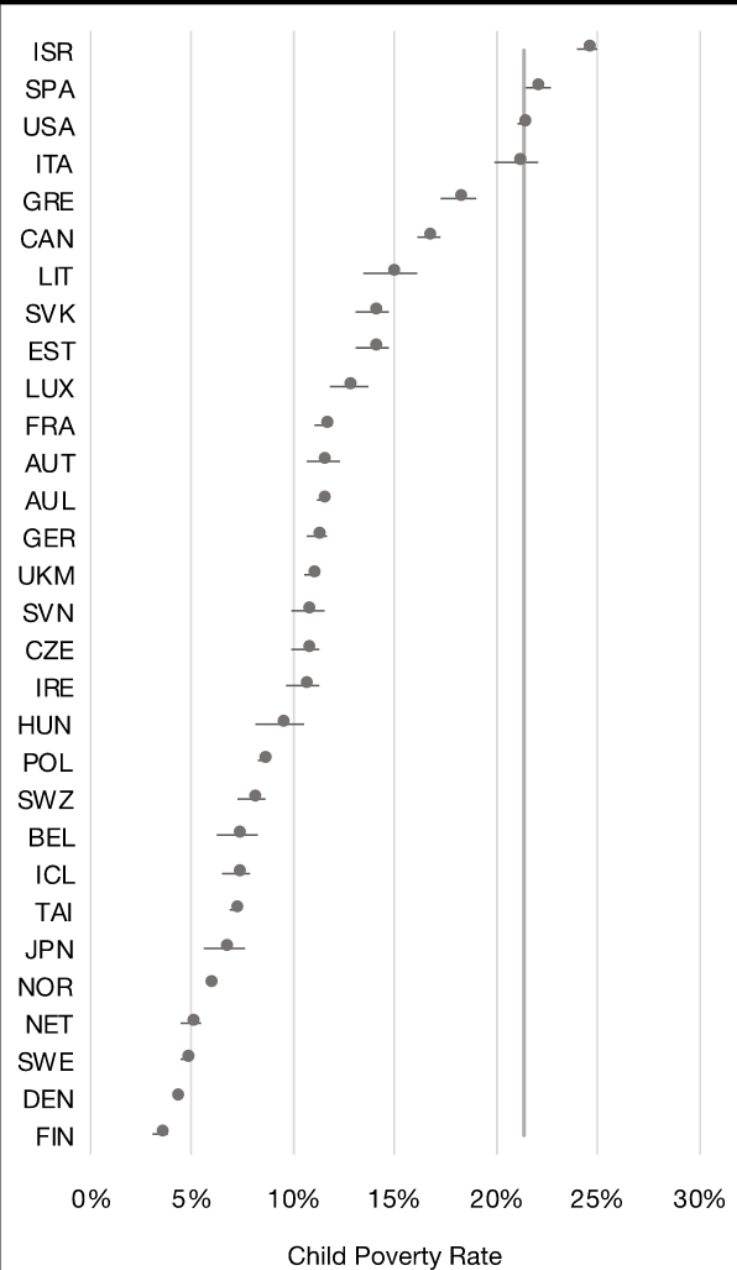
Single Motherhood Among Children in 30 Rich Democracies

U.S. Has 7th Highest PREVALENCE (20.0); BUT There Is Little Variation (CV .41)

U.S. Ranks 1st in PENALTY (9.97); AND Variation is Larger (CV 2.07); 23 of 30 Not Significantly Positive

Prevalence of Single Motherhood

Penalty for Single Motherhood

What Would U.S. Child Poverty **<u>RATE</u>** Be With Counterfactual Prevalences?

Child Poverty Rate

- Actual/Predicted
- Cross-National Median Single Motherhood Prevalence (14.44%)
- 1 Cross-National SD Less Single Motherhood Prevalence (14.17%)
- 1970 U.S. Single Motherhood Prevalence (10.60%)
- ½ Single Motherhood Prevalence (10.00%)
- Zero Single Motherhood
- Zero Prevalences All Risks

0   5   10   15   20
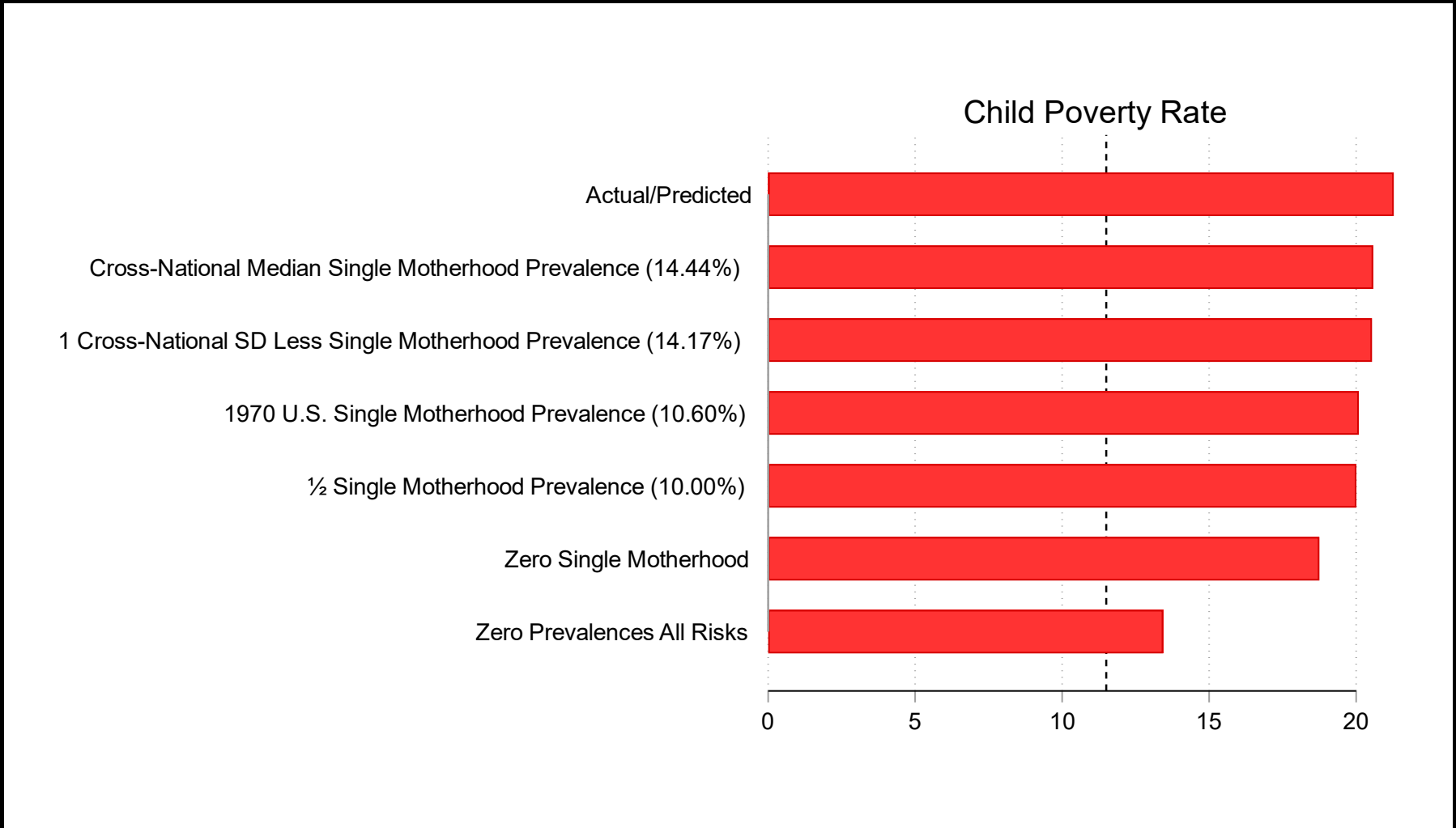
Vertical Line: Mean Child Poverty Rate Across 30 Rich Democracies

What Would Happen to BLACK, LATINO & WHITE Child Poverty __RATES__ with Counterfactual Prevalences?

	Whites	Blacks	Latinos
Prevalence of Single Motherhood (%)	14.68	44.34	21.90
Penalties for Single Motherhood (%)	9.19	6.97	12.75
Child Poverty Rates (%)			
Model Predicted	13.42	35.52	32.51
1970 U.S. Single Motherhood Prevalence	12.85	32.74	30.98
Cross-National Median Single Motherhood Prevalence	13.38	33.06	31.50
Zero Single Motherhood	11.39	31.90	29.55

Note: Mean Child Poverty Rate Across 30 Rich Democracies is 11.5%

DRAMATIZING THE POOR: EMOTIVE SAMPLES

NEW YORK TIMES BESTSELLER

EVICTED

POVERTY AND PROFIT IN THE AMERICAN CITY

WINNER OF THE PULITZER PRIZE

10 BEST BOOKS
The New York Times
Book Review

MATTHEW DESMOND

"Astonishing... Desmond has set a new standard for reporting on poverty."
—BARBARA EHRENREICH, New York Times Book Review

SIDEWALK

AVE OF THE AMERICAS
6 AV
GREENWICH
ON

MITCHELL DUNEIER

WITH PHOTOGRAPHS BY OVIE CARTER

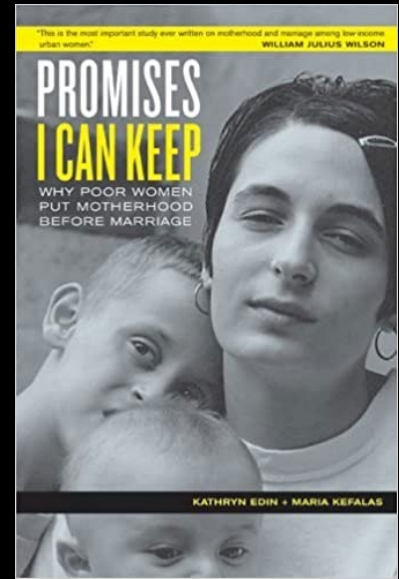"Insightful and compelling... Capture[s] the pathos, struggle, joy, honor and dignity of the men and women of the sidewalk."—Elaine Rivera, CHICAGO TRIBUNE

"Extraordinary."
—MALCOLM GLADWELL

"Alice Goffman's On the Run is the best treatment I know of the wretched underside of neoliberal capitalist America.... [A] poignant portrait of our fellow citizens who struggle to preserve their sanity and dignity."
—Dr. CORNEL WEST

ON THE RUN

Fugitive Life in an American City

ALICE GOFFMAN

PICADOR

"This is the most important study ever written on motherhood and marriage among low-income urban women." WILLIAM JULIUS WILSON

PROMISES I CAN KEEP

WHY POOR WOMEN PUT MOTHERHOOD BEFORE MARRIAGE

KATHRYN EDIN + MARIA KEFALAS

KATHRYN J. EDIN AND H. LUKE SHAEFER

"A remarkable book that could very well change the way we think about poverty in the United States."
—New York Times Book Review

$2.00 A DAY

Living on Almost Nothing in America

"Transcends journalism... and challenges the nation."
—The New York Times Book Review

AMERICAN DREAM

THREE WOMEN, TEN KIDS, AND A NATION'S DRIVE TO END WELFARE

Jason DeParle

LIVING THE DRAMA

COMMUNITY, CONFLICT, AND CULTURE AMONG INNER-CITY BOYS

DAVID J. HARDING

NEW YORK TIMES BESTSELLER

"Riveting."
—William Grimes,
The New York Times

GANG LEADER FOR A DAY

A Rogue Sociologist Takes to the Streets

SUDHIR VENKATESH

Foreword by Stephen J. Dubner, coauthor of FREAKONOMICS

Moral Outrage > Theory of Causes

- **Desmond & Western (2018) *Annual Review of Soc.***
  - "Poverty is Morally Urgent. . .an Affront to Dignity"
  - "Esteeming dignity encourages a humanizing social analysis, where researchers are sensitized to the capacity for love, creativity, and imagination in their subjects. The principle of human dignity also shifts the poverty debate away from income redistribution."
- **Focus on Individual Lived Experiences, NOT Systemic High Poverty**
  - Symptoms, Not Causes (e.g. Eviction)
  - Overrepresent the Unrepresentative Poor
  - Exaggerate & Mischaracterize Poverty
  - Omit Effective Social Policies
  - Fuels the Fallacy of Intractability
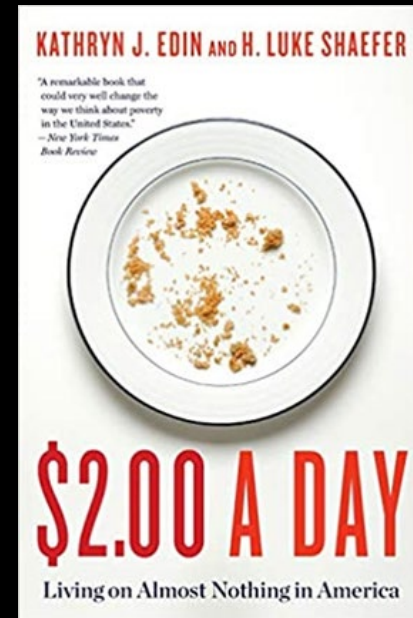
OVERREPRESENTATION: PREVALENCE OF 4 RISKS
## (Brady, Finnigan & Huebgen 2017)
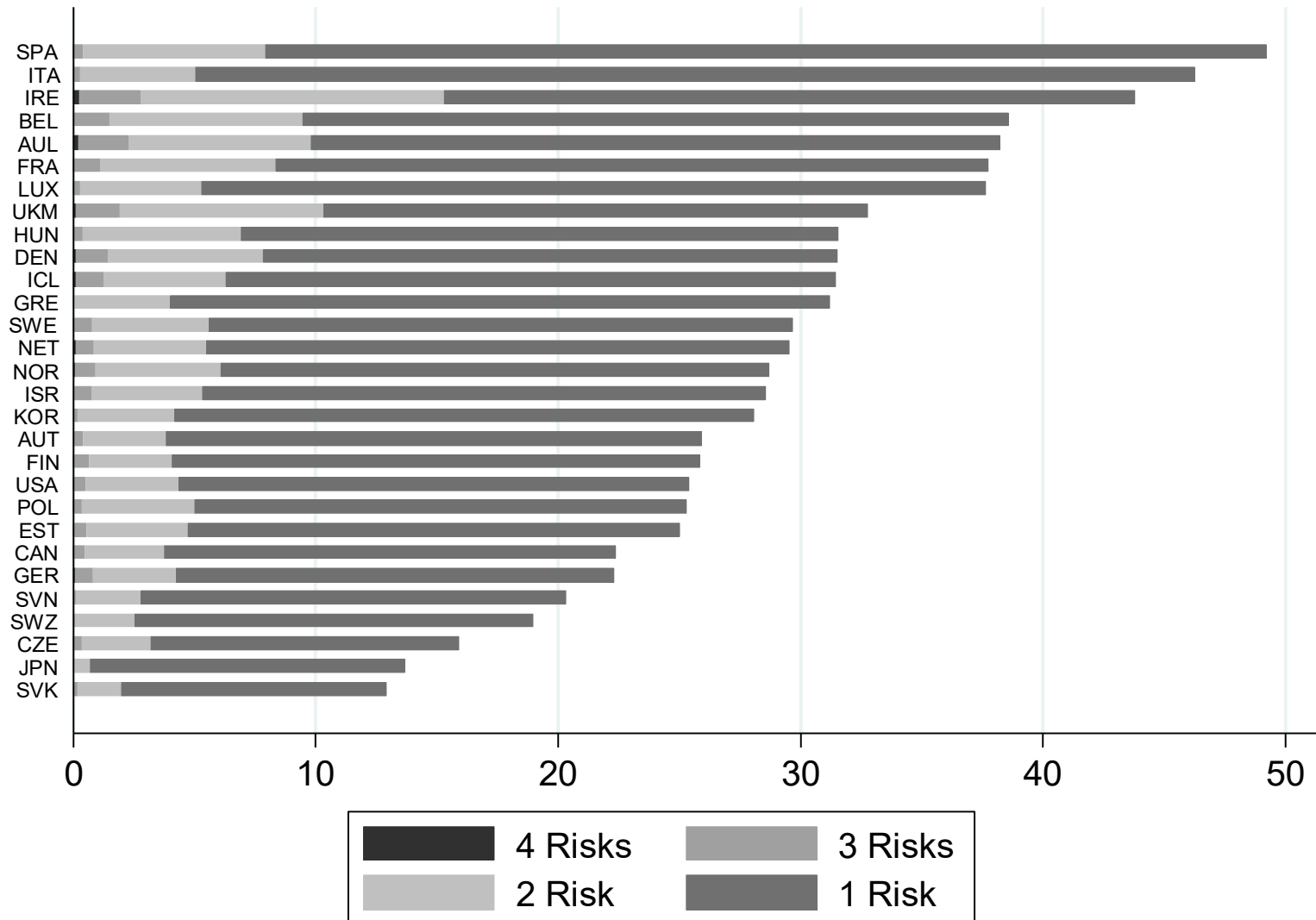
Exaggerate & Mischaracterize: *$2 a Day*

- "1.65 million households with 3.55 million children were living in extreme poverty in a given month. . .constituting 4.3 percent of all nonelderly households with children. The prevalence of extreme poverty has risen sharply since 1996, particularly among those most affected by the 1996 welfare reform."

- 1996-2011: 152.9% Growth Overall, 48% Growth for Children, 67.9% Growth for Single Female-Headed HHs, >300% Growth in Raw # of Children

- Less Than $2/Day in <u>Cash Income</u>

KATHRYN J. EDIN AND H. LUKE SHAEFER

"A remarkable book that could very well change the way we think about poverty in the United States."
— *New York Times Book Review*

$2.00 A DAY

Living on Almost Nothing in America

Realities of Extreme Poverty (w/ Parolin): Edin & Shaefer Replications (left: Overall, right: Children)
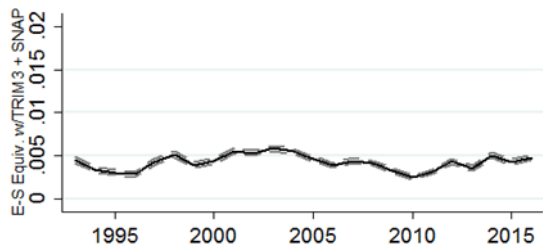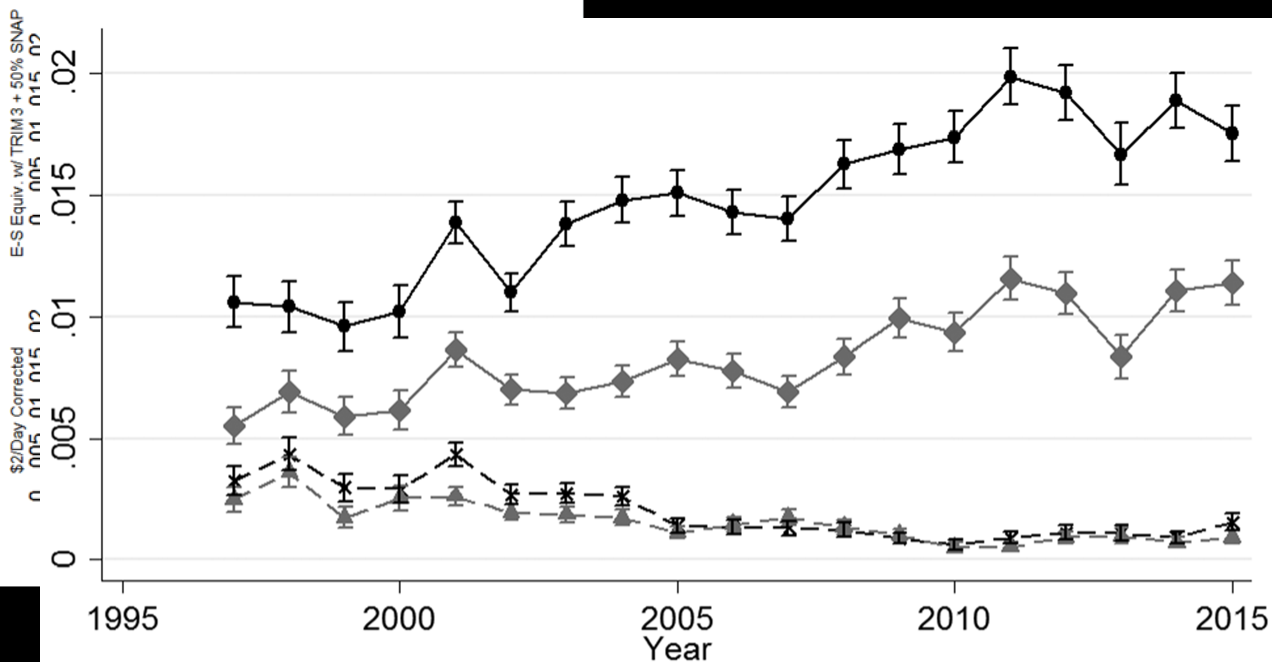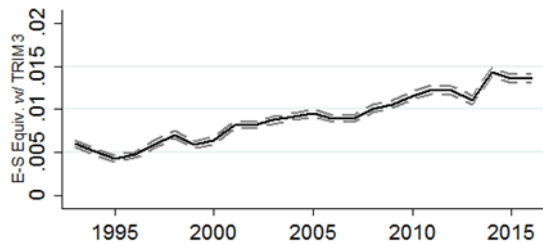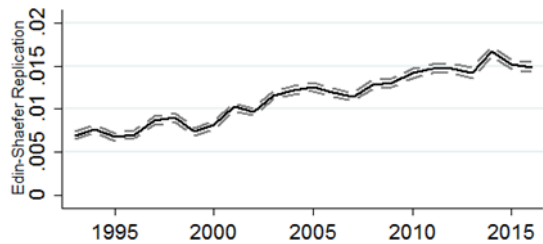
Realities of Extreme Poverty (w/ Parolin): <10% of Median WITH and WITHOUT SNAP
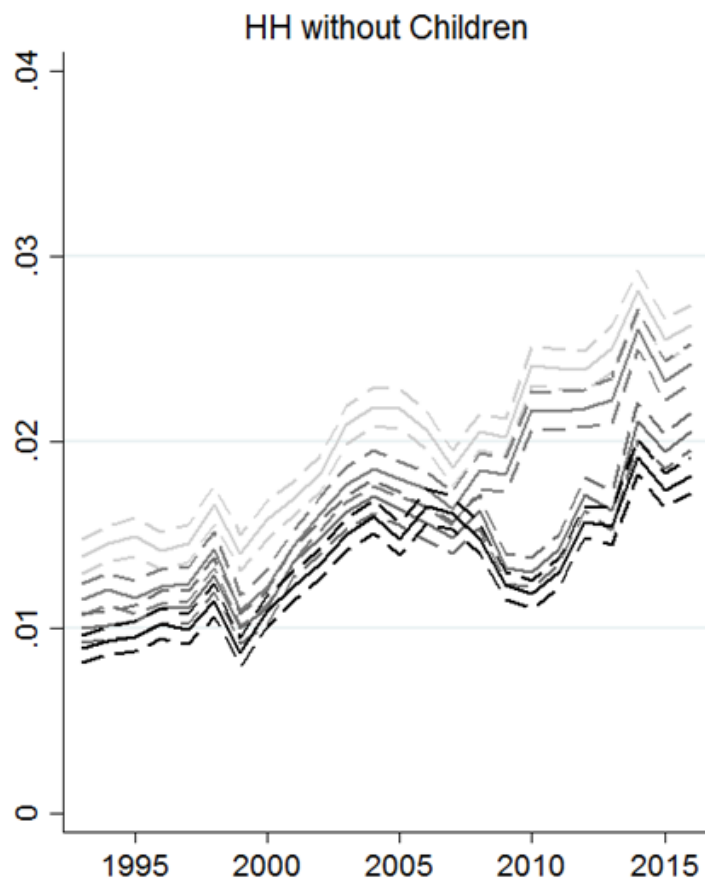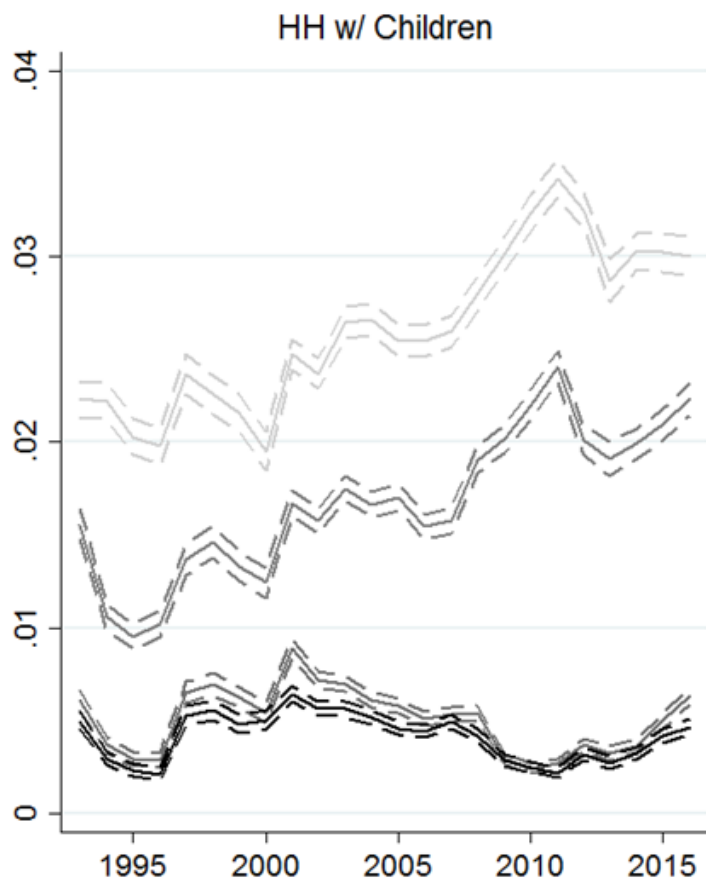
Realities of Extreme Poverty (w/ Parolin): Composition of Children = Immigrants Not Single Mothers

Table 1: Characteristics of children living in extreme poverty (2011–2015)

	Two dollar per day	CI +/-	10% median	CI +/-	10% of 1997 median	CI +/-
Born outside US	56.9%	8.3%	28.8%	4.4%	32.2%	1.3%
HH head is non-citizen	72.9%	7.4%	57.9%	4.6%	61.1%	1.8%
Single mother HH	13.5%	6.1%	31.1%	4.2%	28.8%	1.9%
Single father HH	3.0%	3.4%	9.6%	2.6%	7.4%	1.1%
Jobless HH	67.2%	7.7%	57.3%	4.6%	56.7%	1.9%
HH head low education	38.1%	8.2%	57.4%	4.7%	56.3%	1.8%
HH head under 25	5.3%	4.0%	13.7%	2.9%	12.1%	1.4%
Received TANF during year	0.0%	0.0%	7.1%	2.7%	6.5%	1.5%
Received SNAP during year	14.6%	7.3%	61.3%	4.6%	55.9%	1.3%
Share of children	0.08%	0.01%	0.31%	0.03%	0.26%	0.03%

Overrepresentation & Intractability: Homelessness

- **National Point in Time Homeless Count in 2019 Was 567,715; But Let's Assume 1,000,000**
  - **Highly Visible in Affluent Parts of California Cities; Not Segregated Away Like Most of Poverty**
- **0.26% of US Population**
- **1.8% of <u>the POOR</u>**

- **$2,500/month UBI for Each Homeless Person: $30 Billion**
- **20% Deduction on Pass Through Income: $35 Billion**
- **Qualified Dividends Deduction: $31 Billion**
- **Home Mortgage Interest Tax Deduction: $25 Billion**

Rather Than Problem of Persons, Systemic High Poverty Results from Game of Musical Chairs

"Picture a game with ten players, but only eight chairs. When the music stops, who's most likely to be left standing? It will be those who are at a disadvantage in terms of competing for the available chairs (less agility, reduced speed, a bad position when the music stops, and so on). However, given that the game is structured in a way such that two players are bound to lose, these individual attributes only explain who loses, not why there are losers in the first place. Ultimately, there are simply not enough chairs for those playing the game. The critical mistake that's been made in the past is that we've equated the question of who loses at the game with the question of why the game inevitably produces losers. They are, in fact, distinct and separate questions."
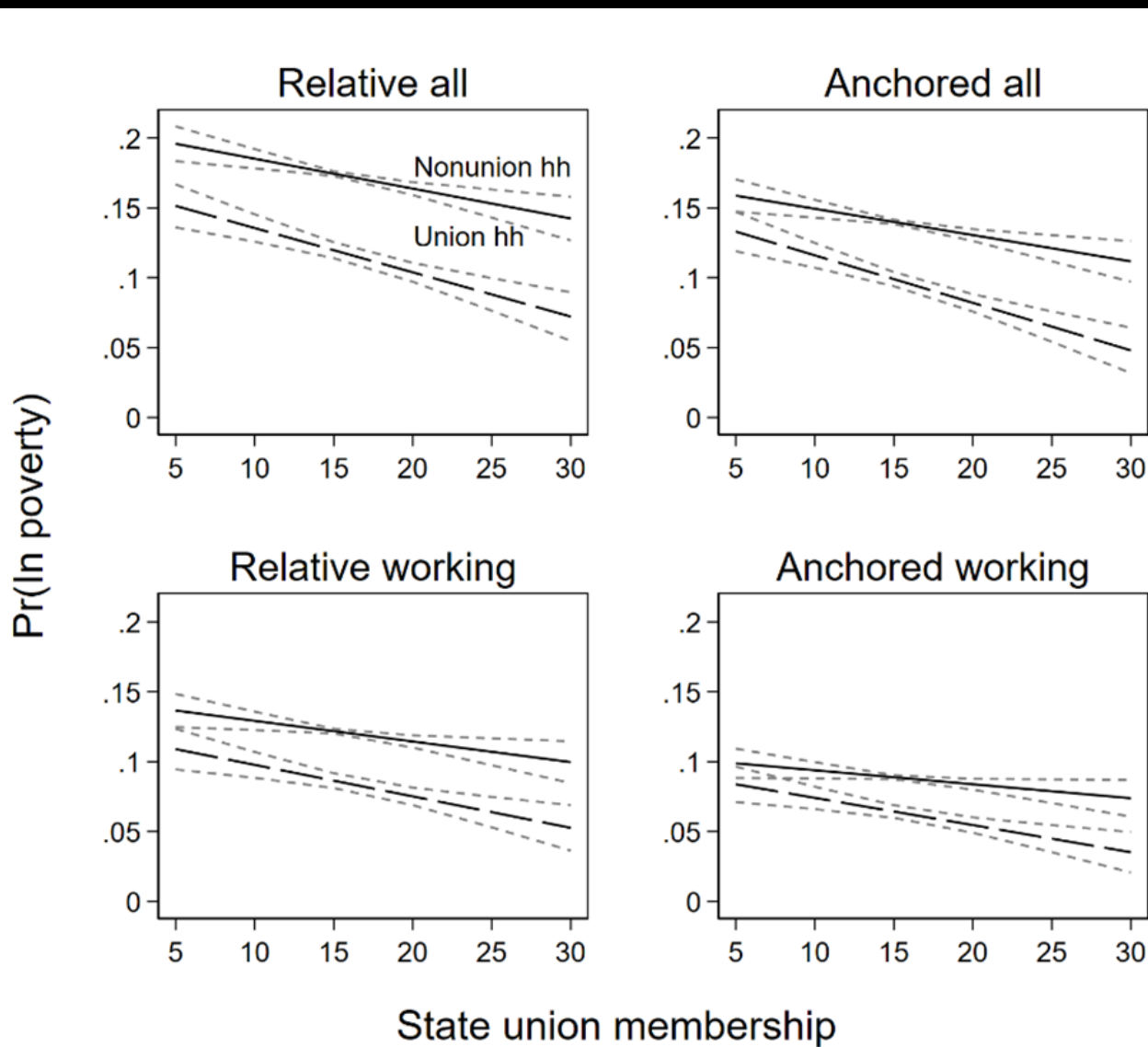
Mark Rank (2011)

Political Theories (Brady 2019)

- **Power & Institutions Cause Policy, Which Causes Poverty**

- **Policies Moderate Behavior -> Poverty**

- **Institutions Also Directly Influence Poverty & Moderate Behavior**

C Political theories
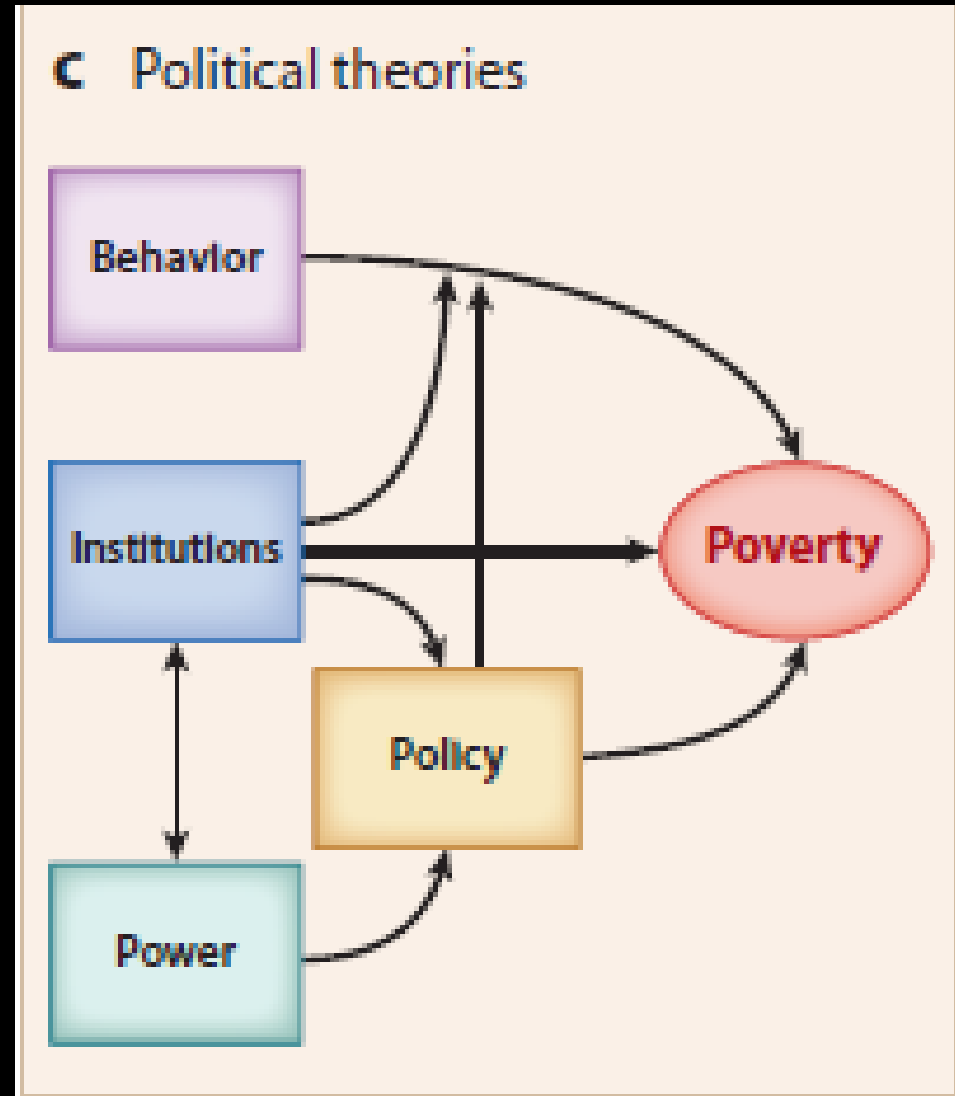
F.E.I.S. Models: Predicted Poverty By HH Union Membership & State Unionization (w/ VanHeuvelen)

Conclusions

- **Focus on Why U.S. Has Systemically High Poverty, Not the Poor As Problem of Persons**

- **Fixing the Poor & Dramatizing the Poor Are Wrong Direction for Addressing Poverty**

- **Political Theories Are Better Direction**

- **Other Potential Parts of (Unwritten) Book**
  - **Why Cultural Explanations Remain a Dead End**
  - **Intergenerational "Cycle" of Poverty**
  - **Dynamics of & Spells in Poverty**
  - **Composition: Poverty is Mostly Working Poverty**
  - **Inequality: Poverty Across Race, Sex and Life Cycle**
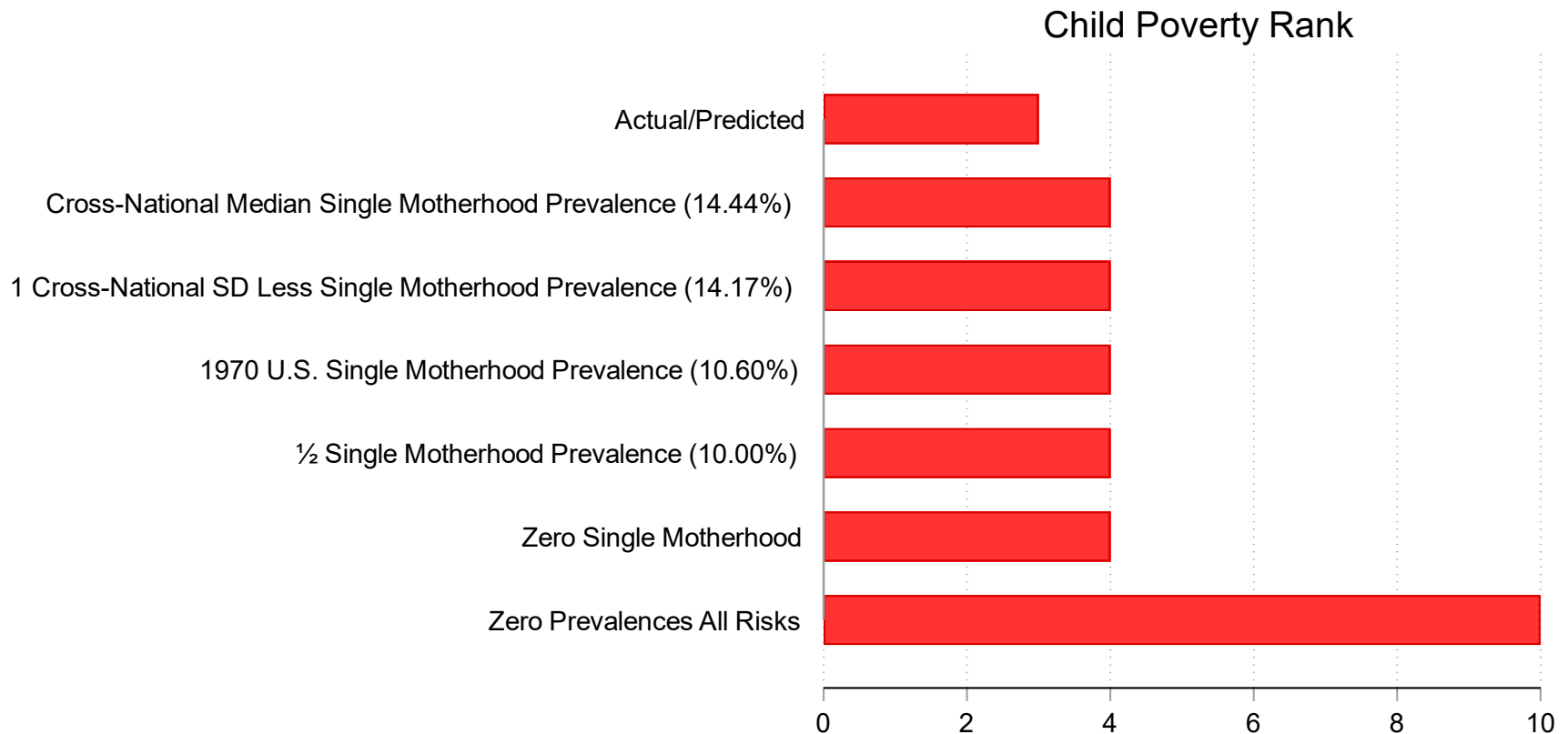 - **Chapters Exemplifying Best Evidence for Political Theories**

EXTRA SLIDES

"'Culture of Poverty' Makes a Comeback" (NYT)

- **Small, Harding & Lamont (*Annals* 2010):**
  - "Rather than causing behavior, frames make it possible or likely."
  - "Explicitly explaining the behavior of low-income population in reference to cultural factors"
- **Harding (2010): Poor Neighborhood Cultural Heterogeneity (i.e. "Diluted" and "Levels Expectations") -> Sexuality, Violence, & Education of Poor Adolescent Black Males (*-> Poverty*)**
  - "Boys in poor neighborhoods are presented with many negative role models"; "Adolescent boys who have little or no relationship with their fathers, the norm in poor neighborhoods, are particularly susceptible to the influence of older peers"; "The boys [in poor neighborhoods] approach romantic relationships with a great deal of distrust."

Culture Is Always a Bad Explanation

- **Older Critiques of Culture Largely Ignored**
  - Massey (2010): "We've finally reached the stage where people aren't afraid of being politically incorrect."
  - Small (2010): "New generation of scholars without the baggage of that debate."
- **"Scripts/Schema/Frames" Vocabulary (vs. Values/Norms) Does NOT Change Basic Argument:**
  - Heterogeneity = Mix of Good & Bad (Not Homogenously Good) = Greater Ratio of (Bad/Good) = More Bad
  - Only Mechanism from Culture -> Poverty is Behavior
  - Necessarily Theory of Poor Having Behavior Deficit
- **But, Behaviors: (a) Are Unreliable Predictor, (b) Cannot Explain Systemically High Poverty, (c) Effects Can Be Moderated & Are Small**

What Would U.S. Child Poverty **RANK** Be **Among 30** Rich Democracies With Counterfactual Prevalences?

Child Poverty Rank

Category	
Actual/Predicted	3
Cross-National Median Single Motherhood Prevalence (14.44%)	4
1 Cross-National SD Less Single Motherhood Prevalence (14.17%)	4
1970 U.S. Single Motherhood Prevalence (10.60%)	4
½ Single Motherhood Prevalence (10.00%)	4
Zero Single Motherhood	4
Zero Prevalences All Risks	10

What Would Happen to US Poverty with Cross-National Median Prevalences or Penalties?