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## ESSAY REVIEW

# Are We Asking the Right Questions about Poverty in America?

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**ABSTRACT** The US poverty rate is persistently higher than poverty rates of comparably wealthy European countries. This essay reviews three books about why poverty is so high and what we have done about it: *Poverty in America: A Handbook* (third edition), by John Iceland; *Legacies of the War on Poverty*, edited by Martha J. Bailey and Sheldon Danziger; and *The Undeserving Poor: America's Enduring Confrontation with Poverty, Fully Updated and Revised* (second edition), by Michael B. Katz. It concludes that scholarship is advancing but still fails to provide a compelling narrative about the reasons poverty persists or historically informed insights for reforming antipoverty policy.

## INTRODUCTION

Each year, the US Census Bureau releases new data on poverty in the United States. With each release, media-savvy researchers and scholars scramble to find something new to say about what is essentially an unchanged story. Since the mid-1970s, the US poverty rate has remained nearly constant. About 15 percent of all Americans have incomes at or below the conservative federal poverty threshold. Children are more likely to be poor than adults, African Americans are more likely to be poor than white Americans, and very young children of color are the poorest Americans. Of course, the numbers do change slightly over time and economic cycles, and different measurement approaches can be used to show that actual poverty rates are a little higher or a little lower than the official estimates. But the story remains essentially the same: in one of the richest countries in the world, somewhere around one out of every six individuals lives on an income judged by conservative standards to be too low to meet his or her basic needs.

Over the decades, many authors have questioned why poverty remains so high in such a rich country and what we can do about it. Three recently published volumes—*Poverty in America: A Handbook* (third edition), by *Social Service Review* (December 2014). © 2014 by The University of Chicago. All rights reserved. 0037-7961/2014/8804-0007\$10.00

John Iceland (University of California Press, 2013); *Legacies of the War on Poverty*, edited by Martha J. Bailey and Sheldon Danziger (Russell Sage Foundation, 2013); and *The Undeserving Poor: America's Enduring Confrontation with Poverty, Fully Updated and Revised* (second edition), by Michael B. Katz (Oxford University Press, 2013)—advance our knowledge on some dimensions of the puzzle. Reading them together suggests, however, that we have made little progress toward a satisfactory answer to these fundamental questions.

### WHY IS POVERTY SO PERSISTENTLY HIGH?

In the third edition of *Poverty in America: A Handbook*, John Iceland updates and expands his overview of the economic, demographic, and sociological dimensions of poverty and antipoverty policy. Iceland takes up the question of why poverty rates are so high in the United States. He provides an accessible introduction to the issues, makes sophisticated use of the data, and is resolutely evenhanded in his interpretation.

Iceland uses a number of data sources to paint a concise, descriptive overview of the characteristics of the poor, the extent and depth of poverty and deprivation, the geographic distribution and dynamics of poverty spells, and intergenerational mobility. In the new edition, he places the United States in a global context, comparing US poverty rates both to poverty rates in developing countries that have much higher rates of absolute poverty and to poverty rates in comparably rich European countries that have done more than the United States has done to reduce poverty and inequality. He also adds a welcome new chapter examining the causes and consequences of the Great Recession.

*Poverty in America* provides a solid foundation for understanding poverty issues and income support policy in the United States. One of the volume's strengths is Iceland's balanced and technically explicit treatment of the data and research. Empirical analyses inevitably reflect subjective valuations in the choice of what is examined, how it is measured, and how the results are interpreted. The biases that result from these choices are often obscured, intentionally or by oversight, in research on politically contested issues such as poverty and inequality. Iceland avoids this by giving explicit attention to limitations and controversies in measurement and interpretation in both his original analyses and his review of other scholarship. He begins the volume by comparing alternative measures of poverty

and the implications of measurement choice for how we define and evaluate the problem. In extended discussions of stratification, mobility, and inequality, he demonstrates how differences in measurement and analysis have led different scholars to reach contradictory conclusions from the same data. Iceland's attention to the technical issues provides a useful introduction to the research. It also gives the reader tools with which to evaluate competing claims in his and other empirically-based treatments of the issues.

Iceland ably summarizes different bodies of knowledge and scholarly debate in the field but does not advance his own conclusions about what they mean for the larger questions of why poverty persists and what we can do about it. He leaves it to the reader to connect the dots in order to make sense of information and competing interpretations provided throughout the volume. Leaving readers to connect the dots minimizes the author's own potential to bias the interpretation of factual material. It can also convey unintended endorsement of particular points of view, however, by failing to provide relevant evidence or the context for evaluating competing claims. For example, Iceland makes the important point in his comparative analyses that the United States is exceptional not only because it has high rates of poverty but also because it does less than other rich countries to reduce poverty through taxes and income transfers. He does not, however, clearly connect the weakness of US social protections to his subsequent discussions of family structure, single-parent poverty, and the particularly wrenching choices single parents make when balancing working and care-giving responsibilities without family benefits such as parenting leave and child care. Likewise, in his discussion of the intergenerational transfer of poverty, Iceland presents alternative paradigms that foreground family, cultural, and environmental factors in economic mobility. It is difficult to evaluate these alternatives, however, without an understanding of structural barriers discussed later in the volume, including highly unequal local funding of education and the increasing consequences of these inequalities as the globalization of labor markets depresses wages for less educated workers.

In the absence of an integrating narrative to connect and contextualize the empirical findings, it is easy to miss the extent to which poverty in rich countries is not an inevitable outcome of market economies but one that is constructed by the government's economic, labor market, tax, and social protection policies. Iceland begins to connect the dots in his analysis of US policy and his concluding reflections. He documents the declining govern-

ment support provided for working-age US families and reminds readers that comparable countries in Europe make much higher investments in social and health benefits and have much lower poverty rates without compromising their economic performance. Returning to the issue of economic mobility, he reminds readers that education has been the primary vehicle for mobility in the United States in the post-World War II era and that income-related disparities are embedded in the educational system, from preschool to college, and likely exacerbated by increasing income inequality.

A neutral presentation of all claims as equal can also obscure relevant power differentials between those advancing competing claims. Iceland's narrative for contradictory claims and interpretations of the data emphasizes alternative views about the nature of poverty and competing values about the role of government. As Iceland describes in his introduction, in the face of persistent poverty and increasing inequality, the United States remains "deeply divided on how to address these issues and is engaged in an ongoing ideological battle about the proper role of government in society" (10). The capacity of researchers to inform this battle is limited, he suggests, by enduring scholarly debates that are also value-laden, from the existence of a distinct and dysfunctional culture of poverty to the consequences of racial discrimination and nonmarital births.

It is true, as Iceland observes in chapter 7, that polling data suggest that Americans hold contradictory and generally negative views about social responsibility and the government's capacity to address poverty. But presenting this as a given, rather than as a politically constructed outcome, fails to acknowledge important power differentials and conflicts that have shaped US social policy. This is particularly important in discussions of poverty and inequality, which are clearly not debated on an even playing field. Likewise, presenting scholarly debates as a balanced exchange of ideas fails to acknowledge that some points of view are heard more loudly than others due to the institutional prominence of their proponents and, in some cases, the substantial investments of private entities seeking to advance ideological agendas.

Iceland's volume goes a long way in telling us about poverty in America. His balanced presentation of current knowledge strengthens the accessibility and credibility of his account. It also limits the answers he provides to the fundamental questions. Why does America continue to have the highest rate of poverty among rich, democratic countries? Iceland seems

to conclude that the problem is complex and that the evidence is open to interpretation. What can we do about it? Iceland is modest in his expectations. Given the inconclusive state of the research and the differences in Americans' political beliefs, we should expect that "future programs that aim to reduce poverty—certainly in the form of collective action—will provide incremental benefits at best" (163).

#### **WHAT HAVE WE DONE TO REDUCE POVERTY?**

The editors of *Legacies of the War on Poverty*, Martha J. Bailey and Sheldon Danziger, fill in a bit more of the answer to the question of what government can do about poverty. They bring a more explicitly evaluative approach to their project as well: a critical reappraisal of how the policies and programs launched by Lyndon Johnson's administration influenced economic well-being and the federal government's capacity to eliminate poverty and racial discrimination. The volume's editors raise ambitious and provocative questions. Most of the chapter authors, primarily economists, are both modest in the scope of their inquiries and noncontroversial in their conclusions.

The editors begin by reminding us about the ambitious goals of the War on Poverty and the optimism of the period when it was initiated. As they describe, as laid out in Johnson's 1964 State of the Union address and the Council of Economic Advisors' 1964 "Economic Report of the President," the War on Poverty's goals included "maintaining high employment, accelerating economic growth, fighting discrimination, improving regional economies, rehabilitating urban and rural communities, improving labor markets, expanding education opportunities, enlarging opportunities for youth, improving the Nation's health, promoting adult education and training, and assisting the aged and disabled" (7).

The War on Poverty was ambitious not only in its scope but also in its challenge to the status quo in two of the most intensely contested areas of law and policy: the limits of federal authority and equality in civil rights. The War on Poverty was launched in response to the poverty and racial unrest that were roiling American cities in the 1960s. As the editors contend, the War on Poverty cannot be understood apart from the demand for an end to segregation and discrimination against black Americans and Johnson's commitment to civil rights. By taking on civil rights, the War on Poverty also challenged the state and local political authorities who were perpetuating separate and unequal treatment in social welfare, health, education, and other government services. As Bailey and Danziger point out, the War on

Poverty involved a dramatic expansion of federal involvement in policies that had been the exclusive domain of state and local government (10). The primary leverage for this expansion was new or increased funding that was contingent on cooperation with the administration's civil rights and anti-poverty policy agendas.

One of the most common criticisms of the War on Poverty is that its policies and programs never went far enough to achieve these ambitious goals. A broad agenda for economic, labor market, educational, and civil rights reforms turned into a narrow focus on improving the human capital of the poor themselves. The editors of the volume likewise frame ambitious questions, but the substantive chapters address a much more modest set of questions about the performance of specific human capital, income support, housing, and health care programs.

The chapter authors vary in the breadth of their assessments. Most review what we have learned from more than 50 years of program-level evaluations, asking whether specific programs were effective in achieving their goals. A few go further to consider the combined effect of related policies on the larger goals of reducing economic hardship and racial and income disparities. Even fewer take on the larger question of how the expansion of federal involvement permanently altered the capacity of government to achieve these goals.

The first approach, evaluating specific programs, is the most straightforward. The War on Poverty was launched during a period of optimism about the application of empirical methods to the evaluation of government programs, including the new programs aimed at eliminating poverty. A substantial industry grew up to study of the costs, benefits, and effectiveness of these programs. Chapter authors address the challenges of rigorous evaluation and consider how increasing technical sophistication has altered evaluation results over time.

Despite improvements in evaluation methods, the results in many program areas remain surprisingly ambiguous. Among the most ambiguous findings are those for the education and training programs designed to reduce poverty by improving children's academic achievement and adults' labor market skills. The assessment of the federal Head Start preschool program is perhaps the most well-known case in which decades of study have produced ever more perplexing results. As Chloe Gibbs, Jens Ludwig, and Douglas L. Miller summarize in their chapter, high-quality early education has been found to increase academic and school readiness, particularly among disadvantaged children in the short-term, but some studies

suggest that these effects fade over time, while others provide evidence of lasting achievement effects, at least for some early-childhood programs. The studies documenting long-term benefits trace them to early gains in social and emotional skills, while those finding diminishing effects point to the role of subsequent experience in poor-quality schools in undermining early academic gains. Still others suggest that a decades-long increase in private preschool enrollment among more advantaged children may have reduced the advantage that publicly-funded preschool once provided for poor children.

Chapters reviewing the successes and failures of other human capital programs launched as part of the War on Poverty reach similarly equivocal conclusions. Elizabeth Cascio and Sarah Reber describe the success of Title I compensatory education funding in reducing education spending disparities across states but the failure of program evaluations to find positive effects on the achievement of participating disadvantaged students. Bridget Terry Long describes the successful creation of the federal student financial aid system for higher education and the failure to find the expected positive effects of Federal Pell Grants on the college enrollment of disadvantaged students. Harry J. Holzer concludes that the modestly funded training programs for disadvantaged adults were able to generate positive and cost-effective improvements in employment but that their effects on wages were too limited to make a substantial difference in participants' earnings and poverty.

Ambiguous, and largely disappointing, findings from the evaluation of human capital programs are due in part to the difficulty of program evaluation. As the authors of several chapters observe, the lack of robust findings is also because many of the War on Poverty human capital programs were isolated, minimally funded interventions. The Head Start program, for example, still enrolls only about half of poor preschool children. Cascio and Reber estimate that Title I funding would have needed to be seven times larger to close the poverty gap in per-pupil spending across states as of 1965. More fundamentally, the disappointing findings from the human capital programs reflect the naiveté, or some argue timidity, of policy planners who attempted to change labor market outcomes without changing labor markets themselves.

In retrospect, we can see that the architects of the War on Poverty's education and training programs were overly optimistic not only about the effectiveness of education and training programs but also about continued



economic growth and expansion of high-wage employment in the United States. Programs designed to prepare individuals for the economy of the post–World War II period could not prevent the erosion of wages and job quality that occurred with the expansion of the service economy and the globalization of labor markets in the following decades. As Holzer observes, “The optimism of President Johnson’s economists that a series of new and modestly funded programs in a growing economy could greatly reduce or even eliminate poverty proved unfounded” (142).

Due in part to the burgeoning evaluation literature, the mixed results of the human capital programs have dominated debates about whether we won or lost the War on Poverty. This has obscured another, perhaps more important story, what editors Bailey and Danziger describe as “the *combined* influence of its programs and policies. . . . The broad expansion of the nation’s human capital, health, housing, and income support programs” (9). Although the War on Poverty was famously promoted as providing “a hand up, not a hand out,” its major contribution to the reduction of poverty was arguably the expansion of federally funded, direct assistance to poor individuals and households.

The authors of several chapters document the very significant expansion of direct cash and in-kind assistance that was made possible by the new programs and policy reforms of this period. The largest of these are the Medicare and Medicaid programs, signed into law in 1965 as amendments to the Social Security Act. Barbara Wolfe documents the subsequent success of the Medicaid program in extending health care and closing income gaps in insurance coverage for children and many of the poor elderly, including those in long-term care. Katherine Swartz shows that the Medicare program virtually eliminated the income gap in health care for the elderly within a decade of its passage. Although neither program has eliminated racial disparities in health care use or health outcomes, the research evidence suggests that both programs have reduced the financial burden of health care for the poor and have improved health and life expectancy in the covered populations.

The War on Poverty significantly expanded other areas of in-kind assistance, including housing, reviewed by Edgar O. Olsen, and food and nutrition programs, reviewed in a chapter by Jane Waldfogel. Although there was less expansion of direct cash assistance during this period, a few initiatives had notable success. In her chapter on assistance for the elderly, Kathleen McGarry attributes a significant reduction in poverty in the 1970s to in-

creases in the value of Social Security benefits and the creation of the Supplemental Security Income (SSI) program for poor, blind, and disabled elderly. For working-age families, Waldfogel summarizes evidence that the Earned Income Tax Credit (EITC), adopted some years after the War on Poverty and failed attempts to create a minimum income grant, has been effective in increasing employment and incomes, reducing child poverty, and improving the health of children and adults.

The chapter authors do not suggest that the expansion of in-kind and cash assistance has been an unequivocal success. Both Swartz and Wolfe discuss how the Medicaid and Medicare programs contributed to steep increases in health care costs. The redistributive effect of the programs has also been limited by greater use of long-term care benefits and health care by more affluent households, and geographic and racial disparities persist in both health care use and health outcomes. Olsen and Ludwig point out that public housing programs reduced housing costs but have not had the anticipated benefits for employment and earnings. And in her review of financial assistance for higher education, Long points out that because lawmakers failed to create an individual entitlement for Pell Grants, funding has fallen further and further behind the rising costs of college tuition. Both subsidized and unsubsidized student loans have expanded to fill the gap, creating the contemporary crisis of student loan debt.

As the editors observe in their introduction, although their influence on specific outcomes has been mixed, the expansion of these programs had significant and lasting consequences for the capacity of the US welfare state. These policies and programs expanded, and in some case initiated, “direct federal involvement in schools, hospitals, labor markets, and neighborhoods” (3). The expansion of federal involvement was often directly, if not always explicitly, an effort to end discretionary and discriminatory treatment by state and local governments: “Johnson’s commitment to [civil rights] is evident in his use of the federal purse to encourage racial integration” (9).

The expansion of federal authority was also the most controversial aspect of the War on Poverty, particularly among state and local government officials. Resistance to federal interference in what had historically been local government authority forced compromises in policy and program structure that continue to shape the capacity of the US welfare state. Unfortunately, few of the chapter authors address these conflicts and the policy compromises that were made to secure political support for launch-

ing the War on Poverty programs. A particularly notable omission from the volume is any discussion of the Community Action Program, perhaps the most dramatic and controversial federal effort to bypass state and local politicians.

Given their lasting consequences, the limited attention to the policy compromises brokered by the architects of the War on Poverty is disappointing. The most significant compromises were those that reduced resistance to the expansion of federal involvement by distributing authority among federal, state, and local authorities. Cascio and Reber give the most explicit attention to the consequences of power sharing in their aptly titled chapter “The K–12 Education Battle.” In contrast to its successful expansion of direct financial aid to equalize access to higher education, the Johnson administration was forced to work through state and local education authorities to address primary and secondary school segregation and deep income and racial disparities in per-student education funding. By funneling Title 1 funds for compensatory education to states on the basis of their population of poor children, the federal government was able to substantially reduce education spending disparities across states. The threat of withholding the new Title 1 funding also provided a lever for forcing local school authorities to begin dismantling school segregation. But this was a weak lever for changing entrenched local educational systems, and states retained authority for allocating Title 1 funds across districts and schools, creating incentives to substitute federal funds for existing state commitments and diluting their benefits for the most disadvantaged students.

This retrospective on the War on Poverty includes chapters by some of the most prominent social scientists currently studying social welfare, health, and education policy. They take advantage of the 50-year time frame and multiple data sources, and the rigor of their reviews and analyses cannot be faulted. But, the narrowness of their answers leaves the big questions unanswered. Why does America continue to have the highest rate of poverty among rich democratic countries? The authors in this volume do not try to answer this question directly, but their reflections suggest that we have tried hard and made progress in the reduction of poverty and hardship. Indeed, the economic situation for the most vulnerable in America would be far worse without the successes of the War on Poverty.

What can we do about poverty? The authors of this volume are modest in their expectations. They clearly believe that we can use research to

improve the effectiveness of antipoverty programs and to select the most promising directions for future policy reforms. We can and should continue to study alternative solutions, because even well-reasoned policies often fail to achieve their stated goals and equally often create new and unanticipated problems in the process. This careful and sober accounting of the successes and failures of America's most recent effort to eradicate poverty provides few suggestions for doing more in future years.

### **WHY HAVEN'T WE DONE MORE?**

In *The Undeserving Poor: America's Enduring Confrontation with Poverty*, Michael B. Katz updates his 1989 history of the enduring political and intellectual debate about just what type of problem poverty in America is and what we should do about it. His detailed history traces recurring debates, from the nineteenth to the twenty-first centuries, about whether poverty is a problem of individual or structural failure, a lack of initiative or of economic resources, an aberrant culture, or a resilient adaptation to oppression. Katz considers the question of why poverty persists not as a technical question of what we can do but as an essentially normative question of what we have chosen to do.

Katz, who passed away in August of 2014, describes his volume as the story of "how Americans have thought and talked about poverty and how they have put poverty talk into action" (x). He begins his history in the nineteenth-century poor laws, but he primarily focuses on the history of ideas that shaped policy, beginning with the 1960s War on Poverty and continuing to twenty-first century experiments with market-orientated reforms. Katz brings the long view of his decades of scholarship to the second edition. He traces intellectual and political history with a historian's attention to detail and a social critic's concern for the consequences of reform efforts.

Katz explores recurring themes in the American discourse on poverty, including the moral calculus of who among the poor are deserving of help, the existence of a distinct culture that is both a symptom and an adaptation to poverty, the geography and concentration of poverty in an urban underclass, and the role of the market in generating and potentially alleviating economic hardship. He traces the intellectual roots of decades-long debates over the role of individual choice versus economic structure and alternating political currents from the liberal intentions of the 1960s' War on Poverty to the conservative dominance of the 1990s' war on welfare.

Katz does an admirable job of integrating the voices and perspectives of other more radical political and intellectual traditions that are typically absent in mainstream histories of antipoverty policy. He recounts, for example, the work of scholars who applied theories of internal colonialism to the political economy of black urban poverty and the reform potential of the Black Power movement of the 1960s. He recounts the efforts feminists and scholars of color made to articulate the intersection of gender, race, and poverty in both research and social reform. He highlights more recent scholarship by scholars as diverse as sociologist Loïc Wacquant, critical ethnographers Robert P. Fairbanks II and Richard Lloyd, and scholar and community architect Teddy Cruz, who are articulating new paradigms of spatial concentration and social marginalization.

In the end, though, Katz does not provide a fully satisfying answer to the big questions of why poverty persists in America and what we should do about it. In contrast to the authors reviewed above, Katz suggests that scholars can provide unequivocal answers to these questions but that their voices are lost in the din of ideological and political debates. His account suggests that well-meaning thinkers and political actors have thus far failed to get the story right, to marshal the theoretical insight and empirical evidence necessary to transcend political disagreements and craft effective antipoverty policy.

In his epilogue, Katz suggests a more sobering and pragmatic conclusion: “Poverty emerges from the routine intersection of politics and economics” (273). Social change on the scale needed to make significant progress requires both a persuasive intellectual narrative and the power to advance it to policy. As Katz notes, “The gap between theory and implementation is filled by power” (273), and the poor, and those who champion their interests, have little power and declining influence in electoral and policy processes.

#### **CONCLUDING THOUGHTS**

As Katz suggests, successful policy reform efforts need a persuasive intellectual narrative about the nature of the problem and what can be done to solve it. Reading three well-researched and well-reasoned volumes, it is difficult not to wonder why, given all the thought, resources, and effort that have gone into the study of poverty, we seem to have made so little progress toward answering the questions of why poverty persists in the United States and, importantly, what we can do about it.

One reason why we seem unable to answer these fundamental questions is the increasingly narrow focus that scholars, and US social and policy researchers in particular, bring to the study of poverty and social policy. The usual progression of social science, involving challenging prior claims and advancing the precision of empirical methods, encourages scholars to address increasingly narrow and specialized questions. The narrowing of focus that advances academic scholarship also diverts attention and effort away from providing answers to broader questions on which there is general consensus among responsible scholars.

Although scholars continue to debate the details, we actually know quite a lot about why so many Americans are poor. Like those in other rich, democratic, market-based societies, most Americans depend on their employment for income. The amount they earn depends on how many hours they spend in paid work, what skills they bring to that work, and, increasingly, global processes that determine the value of those skills. Although there is variation in work effort by race, ethnicity, gender, and other individual characteristics, and even greater variation in skills, the major explanation for vast inequalities in earned income is variation in the valuation of work effort.

The technical answer to why poverty and inequality are so much higher in the United States than in the comparably rich market economies of Europe is not that work effort is greater in those countries. The unemployment rate in the United States is lower than that in most European countries, and full-time workers in the United States continue to log more hours annually than most of their European counterparts. Poverty is higher in the United States because the government has done less to improve the skills and competitiveness of its workers; less to regulate the conditions of their employment; less to replace earnings lost due to ill health, family responsibilities, and economic dislocations; and less to redistribute market income across households and over the life span. As a result, a larger share of the population works in unstable and low-wage employment, and they receive less in social, family, and health benefits, both during and after their working years, than their counterparts in countries with more extensive welfare states.

This simplified account obviously ignores the many complexities introduced by how humans behave, as individuals and political collectives, and important national differences. These are important topics for further research. But, the narrow focus of so much US scholarship and debate

draws attention away from important questions that we can answer with some certainty. Our scholarly emphasis on the details of poverty measurement, controversies in estimation methods, and fine distinctions of interpretation fails to produce a coherent and authoritative narrative about the fundamental reasons why so many individuals are poor in such a rich country. Our efforts to delve deeper into the lives of the poor to examine their life choices, economic strategies, and behavioral responses to modest changes in policy fail to emphasize the much greater contribution of economic and social policies to their economic plight. As it does with scientific research on other controversial issues, an emphasis on academic disagreements overshadows important areas of scientific consensus, eroding public confidence and providing ammunition for the use of research to advance ideological and partisan agendas.

A second reason for our apparent failure to answer fundamental questions is the substantive and disciplinary fragmentation of poverty studies. Most policy scholarship in the United States uses one of two approaches, examining either political policy-making processes or policy outcomes. Our understanding of what we can do about poverty has been limited by our failure to pose questions at the intersection of these alternatives, questions about the consequences of political processes for the design of social welfare programs and the consequences of these structural choices for achieving policy goals, building government capacity and sustaining political support to address poverty and inequality.

Generations of historians, political scientists, and comparative and institutional sociologists have studied the political processes through which social and economic policies have been debated, adopted, and, more rarely, delivered by government and nonprofit organizations. They have produced a rich literature demonstrating the consequences of historical events, social conflicts, and political compromises for the design of the distinctively American approach to poverty. Historians have traced, for example, the influence of colonial poor laws on the paternalism of cash assistance programs and the enduring consequences of slavery and anti-immigrant sentiments for the restriction of coverage in many social benefits. Other scholars have explored the consequences of contested federalism for the decentralization of social welfare programs, the contribution of religious and charity organizations to the development of privatized social welfare services, and the influence of liberal market ideologies in the creation of the hidden welfare state of employment-based and targeted tax benefits.

Another body of literature, produced mostly by economists, demographers, and sociologists, has examined the outcomes of policies once they are adopted. Social scientists have produced specialized literatures on public assistance, education, health, and other social welfare policies and their effect on the well-being of individuals, households, and communities. The increasing availability of comparable, cross-national data has allowed scholars to compare policy-relevant economic, health, and social outcomes in the United States to those of both richer and poorer countries. A large and increasingly sophisticated program evaluation literature uses natural and controlled experiments to study the influence of specific policy and program changes. A small but influential body of qualitative research has explored other less easily observed policy outcomes, from the adaptive strategies of welfare recipients to the consequences of policy reforms for the jobs of front-line staff in welfare agencies.

Our ability to answer fundamental questions has been limited by our failure to pursue questions that bridge these two approaches. With rare exceptions, scholars who study policy processes and those who study policy outcomes pursue different questions, publish in different journals, and attend different scholarly meetings. Yet, as more recent scholarship on policy legacies and feedback loops has taught us, this distinction between the study of process and outcomes is artificial and misses critical iterations between political processes and policy designs that shape government capacity and subsequent policy choices.

Modern welfare states are more than the sum of their economic and social policies. They are institutional arrangements that structure social and economic relations, distribute costs and benefits across groups, and confer differential power and status on the basis of group membership. These institutional arrangements are created by political bargains struck at particular moments in history and reflect the interests and the distribution of political power at those moments. Once established, however, welfare state institutions also shape political interests and influence and the policy options that will be considered feasible in the future.

Advancing our understanding of the iterative processes through which the politics of policy making influence policy designs and outcomes is more than an academic exercise. It is critical for reforming economic and social policies to build a more just and sustainable welfare state. Building on the famous observation of E. E. Schattschneider, politics produce policy, and new policies produce new politics that constrain subsequent reforms.



Even a brief reflection on recent history reveals how the political bargains of the past century have created policy legacies that continue to constrain our options for reforming the American welfare state in the twenty-first century. The 1935 Social Security Act created the foundation for national social insurance. Although initially limited, contributory social insurance was a fiscally and politically robust mechanism that has worked well to cover additional forms of risk, include more groups of workers, and reduce racial, gender, and other disparities in health care and earnings-based disability and retirement income.

Crucially, though, New Deal reformers allowed state and local governments to control assistance for able-bodied working-age adults and children. These political bargains and the geographic, racial, and other disparities they exacerbated helped create the twin crises of poverty and racial inequality that propelled the War on Poverty 30 years later. The institutional legacies of these bargains also set political limits on what the War on Poverty could accomplish. The Johnson administration greatly expanded federal funding for education, social assistance, and health care assistance. But the architects of the War on Poverty programs could not overcome political interests that had become invested in retaining the highly decentralized, market-conforming structure for assisting working-age adults, families, and children. The political negotiations that produced the War on Poverty programs substituted modest human capital programs for significant labor market interventions and ceded authority for the distribution of most educational, social welfare, and health care funding for the poor to state and local authorities. Thirty years later, the consequences of these political bargains, which resulted in stalled progress against poverty and the growth of controversial poor programs for poor people, precipitated the next round of reforms, this time targeting state-managed programs for economically marginalized populations.

This simplifies a far more complex history of social welfare in the United States to highlight the importance of understanding political and policy legacies that are embedded in the structure of social welfare policy. To find satisfactory answers to the fundamental question of what we can do about poverty in America, we need to both expand and refine the focus of our scholarly inquiries. We need to expand the conversation to address questions at the intersection of policy processes and policy outcomes, studying the consequences of political processes and bargaining for the design of social programs, from financing through coverage and eligibility rules, de-

livery systems, accountability, and incentive structures for implementing agencies. We need to refine our questions to examine the consequences of power differentials and politically negotiated compromises not only for the achievement of explicit program goals but also for strengthening government capacity, empowering recipients, and building sustainable political support for policies and programs that reduce poverty and inequality.

Addressing these questions is more than an academic challenge. As poverty scholars, we study government actions that have real consequences for vulnerable populations. As reformers, it is our job to integrate what we know into a persuasive intellectual narrative about why so many Americans are poor and to draw lessons from history to design policies and programs for the future that will reduce poverty and produce new politics that support a stronger and more inclusive welfare state.

#### **NOTE**

**Marcia Meyers** is a professor of social work at the University of Washington. Her research focuses on public policies and programs for vulnerable populations, with a particular focus on issues of poverty, inequality, and policy implementation.