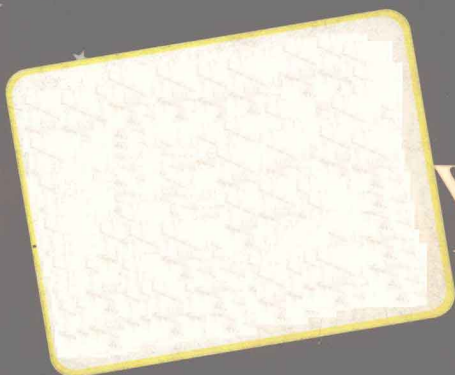


Losing Ground

American Social Policy
1950–1980



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LOSING GROUND

American Social Policy,
1950–1980

CHARLES MURRAY

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Losing Ground

For Paul Schwarz

A NOTE ON PRESENTATION

THIS BOOK tries to do two things that are not quite mutually exclusive, but almost. It draws upon a varied and sometimes technical body of social science data; and it addresses a general audience. How does one be fair to the data (which often entail complications and ambiguities) and still present the material in a way that an intelligent but not obsessive reader can be asked to follow? This tension has shaped the presentation in important ways.

Part of the solution has been to write what amounts to a subtext in the notes for the chapters in parts II and III. The reader who so wishes may read the book from beginning to end without once referring to the notes and (I trust) come away with an accurate understanding of the argument and the evidence. But every so often the reader is also likely to stop short and want to take a closer look. The notes, some of which amount to small essays, have been written for such occasions.

Another part of the solution has been to rely heavily on basic trendline data—graphs of what happened, using widely understood and accepted measures, from 1950 to 1980. Often such data need to be supplemented with more specialized analyses; occasionally, the trendline by itself will be misleading. But the most straightforward data are generally also the best ones for beginning to understand what happened.

Finally, I have added an appendix that includes much of the raw data. It is intended for readers who want to examine the trends from other perspectives or who want to apply these fundamental indicators to other questions.

PREFACE

LOSING GROUND grew out of sixteen years of watching people who run social programs, and my first debt is to them. Whether they have been counseling inner-city students in Atlanta, trying to keep Chicago delinquents out of jail, or teaching prenatal care to Thai villagers, they have shared an uncommon energy and dedication. Over the years, however, I was struck by two things. First, the people who were doing the helping did not succeed nearly as often as they deserved to. Why, when their help was so obviously needed and competently provided, was it so often futile? In the instances when the help succeeded, what were the conditions that permitted success? Second, the relationship between the ways people were to be helped and the quality of their lives became increasingly confused. Clearly, certain minimums of physical well-being were critical. But once those had been met, it was just as clear that, among the many things that produce satisfaction, dignity, and happiness, few were purely economic. How did the goods that social programs dispense fit in with the noneconomic assets? Two and a half years ago, I set out to pursue these lines of inquiry more systematically.

Some months later, Joan Kennedy Taylor of the Manhattan Institute saw the potential for a book in a monograph I had written. She shepherded the work (and me) through to the end. William Hammett, president of the Manhattan Institute, took a chance and decided to use the foundation's resources to underwrite the effort. Without them, the book would not have been written.

I relied principally on the collections at the Library of Congress and the

Preface

Bureau of the Census. The people who helped at both places are too numerous to list individually. At the Bureau of the Census, special thanks go to Bruce Chapman, then director, who took a heartening interest throughout the work. My thanks also go to Gordon Green of the Population Division and Carol Fendler of the Poverty Statistics Section, whose expertise made my job much easier. At the Federal Bureau of Investigation, Ken Candell oversaw the special computer runs I needed. At the Office of Family Assistance, Ken Lee, Laurence Love, Michael deMaar, Howard Rolston, and Jo Anne Ross patiently led me through the complicated history of the Aid to Families with Dependent Children (AFDC) program. Many others whose names I do not know in the libraries of the Bureau of Labor Statistics, the National Institute of Education, the National Institute of Justice, and the National Center for Health Statistics took time to answer my questions and look up elusive documents. The custodians of the federal data bases are extraordinarily ready to go out of their way to help the anonymous researcher, and I am grateful to them all.

Donald A. Cook, who was involved in the earliest planning for the War on Poverty, provided an extremely helpful commentary on my account of that period. Robert Krug and Norman Gold, longtime colleagues and veterans of the Office of Economic Opportunity, brought their experience to bear on the discussions of the job training and educational innovations of the reform period and thereafter. Others who read parts or all of the manuscript and provided invaluable criticisms were Paul Schwarz, mentor and friend for many years at the American Institutes for Research; Irving Kristol, whose encouragement came at just the right moment; and Michael Horowitz, of the Office of Management and Budget, who sees a common purpose in his civil rights work in Mississippi in the 1960s and in his efforts to cut social programs in the 1980s.

In an earlier phase of the work that led to the book, Burton Pines of the Heritage Foundation first gave me the chance to concentrate my thinking on why it is that we could have spent so much money and have bought so little. Sheldon Danziger at the Institute for Research on Poverty was always ready to talk over my questions and provide me with materials from the Institute's ongoing work. At Basic Books, Martin Kessler understood exactly what I was trying to accomplish and reminded me of it when necessary, and Nina Gunzenhauser was a meticulous, occasionally inspiring, copy editor. Together, they have improved the book immeasurably.

Losing Ground contains some contentious interpretations of recent history. Few of the people I have named share all of them; some of them share virtually none. It should be clear that neither the interpretations nor any factual errors that may remain are their fault. This is especially true of my

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most thoughtful critic, and dearest one, Catherine Cox. We knew from the beginning that she was unlikely to agree with every conclusion. But it has been essential that she approve of their spirit.

CHARLES MURRAY
Washington, D.C.
15 February 1984

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Losing Ground

Prologue

1950

LIFE's issue of 24 April 1950 was the usual potpourri—the wedding of Franco's daughter and a lavish pictorial on the art of El Greco, an analysis of foreign policy by John Foster Dulles ("Averell Harriman's new advisor"), and a story on Bob Hope's first television show.

The magazine looked up from its perusal of these matters long enough to editorialize on the state of the economy. *Life* liked what it saw. "Two years ago, four years ago," the editors wrote, "the U.S. was hip-deep in a postwar boom—and the news today is that it is still smack in the middle of the same boom. The darned thing goes on and on and on."¹ The writers expanded at some length on this theme, happily cataloging the achievements of American free enterprise.

The editorial closed with a cautionary note. Mindless materialism was a growing threat. The life of the spirit, through the arts, science, and religion, was the real point of it all, the editorial reminded; too many people were forgetting that. "Are the American people really coming to value prosperity as a means to the larger good?" *Life* asked.

The editorial did not mention poverty. It did not mention that an entire

race of Americans was still consigned to second-class status. It did not mention the possibility that "prosperity" and "the larger good" were equally unreal to millions.

Life was not alone. In that year of transition from the first half of the century to the second, the leading popular magazines—*Time*, *Newsweek*, *The Saturday Evening Post*, *Look*, *Colliers*, *The Reader's Digest*—contained very little about social or economic injustice.

The Negro problem? There was a Supreme Court decision in June of 1950, ruling that the University of Oklahoma could not require its one black student to sit alone in a separate part of the dining hall, and that the University of Texas could not claim that the law school it set up exclusively for a black student was really separate but equal, consisting as it did of a single room. But the Court did not repudiate the underlying "separate but equal" doctrine. Civil rights advocates were disappointed, but the *New York Times* counseled patience. "This republic cannot recognize degrees of citizenship," its editors wrote. "But as long as considerable numbers of people, including the majority or dominant elements of whole communities, think differently, we cannot expect the millenium." The editorial in the nation's most prestigious newspaper did not ask for a stronger stand by the Court or urge new civil rights legislation. Rather, the editors concluded, "the situation calls for a period of education—how long a period, no one can say."² At the end of the year, the American Civil Liberties Union released its survey of newspapers in sixteen major cities revealing that, although political and academic freedoms were imperiled, there were bright spots—labor rights, press freedoms, and race relations were in a "healthy" state.³

Poverty? Poverty was so far from being a topic of concern that the *lack* of poverty was said to be creating, if not exactly a problem, at least a challenge. Philanthropists would have to start being more creative in finding useful things to do with their money, wrote the head of one large foundation, "now that most of the crushing burden of relieving destitution has been removed from the shoulders of the individual giver to those of society, where it belongs."⁴

Two of the scarce references to poverty are instructive. The first was in a small journal which was at that time well to the left on the American political spectrum, *The New Republic*. In a fifteen-page "State of the Union" editorial with which it opened the new year, the magazine included a subsection entitled "The Lowest Third," referring to "the 10,000,000 American families who earn less than \$2,000." But the writers could not muster much indignation. The subsection on the lowest third was buried in the middle of the editorial. The word "poverty" was not used. Aspira-

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tions for reform were modest. Acknowledging that "[s]ome of the causes for the condition of the lowest third are beyond the power of any Congress to solve," the magazine asserted only that many of the unskilled could do better if given the chance.⁵ *The New Republic's* prescription was for the president to create a Special Commission on Labor Training, a national scholarship program, and a Fair Employment Practices Commission.

A second exception to the general silence on the topic was a piece in the June issue of *Harper's*. Robert L. Heilbroner, a Harvard economist, had written a lengthy article entitled "Who Are the American Poor?" A little note at the bottom of the first page introduced him and then added a reassurance: "In calling attention to one of the imperfections of our economy, he assumes a basic condition of health which can withstand examination."⁶

Heilbroner's analysis should have been a shocker. He reminded his readers of the economic plight of the elderly, Negroes, and farmers; he discussed how the poverty level might be defined; and he eventually reached estimates of poverty that ranged from a quarter to a third of the entire U.S. population, depending on the definition and statistics one used.

His numbers were accurate. Retrospectively applying the official definition of poverty—the one now employed by the federal government, the news media, and scholars when they discuss poverty—there were in 1950 approximately 45 million American poor, or 30 percent of the population. By the standards of thirty years later, the United States was in the midst of a crisis of poverty. But hardly anyone noticed.

If by subsequent standards the poverty problem was appallingly large, the federal effort to deal with poverty was irresponsibly puny. In 1950, social welfare spending for the general public (excluding programs for veterans, and railroad and government personnel) cost a little over three billion dollars; about eleven billion in 1980 dollars. This figure includes Social Security, Aid to Families with Dependent Children (AFDC), Unemployment Insurance—the entire federal effort. In a country with 45 million living in poverty, it represented an annual expenditure of less than \$250 (1980 dollars) per poor person.

1968

At the outset of 1968, the expansive confidence of 1950 would have been much more justifiable. Real Gross National Product had risen for nine

straight years, and the increases added up to a boom. Inflation had been held to an average of only 1.6 percent during those same nine years. Real income, fringe benefits, job security—all had been improving.

For the poor who had been so ignored in 1950, unemployment was gone. That is, the unemployment rate was running at 3.6 percent, which economists considered to be tantamount to full employment. Their assessment could be validated at nearly any factory or union hiring hall or in the Help Wanted signs in the windows of restaurants and stores and gas stations and repair shops. If you wanted a job, presumably jobs could be had.

Not only the economy had boomed. The nation had moved dramatically to rid itself of discrimination and disadvantage. In the four years of the Johnson administration, Congress had passed into law landmark legislation in civil rights, medical care, housing, education, and job training. The Office of Economic Opportunity was a new and active force for urban renewal, community development, drug rehabilitation, alternatives for juvenile delinquents, and experimentation with solutions for just about every other known social problem. In the courts, the poor and uneducated were winning legal protections that previously had been enjoyed largely by people with the money to hire good lawyers. Constitutional precepts—separation of church and state, one man-one vote, protection against self-incrimination, to name a few—were being interpreted with unprecedented literalism and applied with unprecedented scope.

There was reason for satisfaction, but very little of it. The prevailing spirit ranged from determination to despair. Vietnam was part of the reason, of course, but hindsight can easily distort our memories of what happened when. As 1968 began, the Tet Offensive, generally accepted as the pivotal event in American public perceptions of the war, was still in the future. Cambodia and Kent State were more than two years away. Roxbury and Newark, in which riots broke out in the summer of 1967, and more recently Detroit, with forty-three dead in four days of violence, had been battlefields closer to home. In its lead editorial for the first issue of 1968, entitled forebodingly "Will We Make It?," *The New Republic's* most strident rhetoric was reserved for the domestic situation. "We no longer ask whether there will be mass violence and racial war next summer, but whether it will break out sooner," the editors wrote.

To respond constructively would be to see what we are (and could be), and to admit that the United States, its immense wealth and managerial technology notwithstanding, has slipped out of rational control. Real reform could then begin.⁷