Stop Making Sense: Charles Murray and the Reagan Perspective on Social Welfare Policy and the Poor


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I. Introduction

Recently, as I was trying to concentrate on yet another graph in Losing Ground,¹ a neighbor's eight-year-old son came along with his favorite book of facts under his arm and asked me whether I knew that the most common name in the world was Mohammed Chang. I was surprised to discover this, since it seemed an unlikely combination; I had certainly never known anyone with the name Mohammed Chang. Sensing my skepticism, the child showed me where in his book it said that Mohammed was the world's most popular first name and Chang the most popular last name. While putting my notes together for this review, I kept remembering the incident. The child's mistaken logical leap reminded me of the flawed progression of reasoning in Losing Ground.

The arguments presented by Charles Murray in Losing Ground have become the after-the-fact justification for the recent attempt to dismantle, once and for all, the entire domestic social welfare system. Murray makes five major claims:

1. The number of people living in poverty stopped decreasing in 1968, and has gradually increased since then;
2. At the same time, poor people began to leave the labor force in large numbers;
3. At about the same time, the Kennedy/Johnson social welfare programs accelerated to a point where substantial amounts of money were being expended each year;
4. The growth of these programs caused poor people to drop

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out of the labor market as they chose to collect welfare at the cost of pursuing longer-term opportunities for job advancement and the concomitant higher income which would have alleviated their poverty; and

5. Because the structure of these social welfare programs inevitably destroys incentives to work, the only rational course of action is to eliminate the programs altogether.²

My experience as a Legal Aid lawyer in New Haven, Connecticut³ suggests that Murray’s first proposition, that the poor stopped rising above the poverty level around 1968, is unfortunately substantially correct. His second claim, that at about the same time the poor—whom Murray considers to be accurately represented statistically by the narrow category of black males between the ages of 16 and 24—dropped out of the labor market en masse, is partly true. His third claim, that large sums of money relative to other expenditures began to be directed to social welfare programs for the poor around this time, is significantly less true. His fourth claim, that the poor stopped working as a result of these social welfare programs, is almost completely false. His conclusion that the only course of action which will solve the problem of poverty is the outright abolition of all social welfare programs is pure right-wing fantasy.

In addition to demonstrating the errors in Murray’s arguments, I would like to put forward a number of other factors ignored by Murray which are relevant to any consideration of the connections between social welfare programs and poverty. These include, for example, the significance of the civil rights movement, the impact of drugs on poor communities, and the unavailability of employment to unskilled workers. I intend to show how Murray has structured his analysis on biased and faulty perceptions about social welfare programs and the poor in order to reach a result predetermined by his ideological perspective.

II. The History of Poverty and Labor Force Participation

Murray begins by presenting an intelligent account of the rela-

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² These arguments may be found in LOSING GROUND at: 57-58; 64-65; 76-78; 48-50; 159-66; and 227-28.
³ As a New Haven Legal Assistance lawyer, I worked with the poor on a daily basis from 1968-1985. New Haven, listed by the Census Bureau as the seventh poorest city in the United States, provides much opportunity for work with impoverished individuals and families. My view, while not as statistically and economically rigorous as Murray’s, is based on the realities of life for those poor people who are quantified in all of Murray’s tables, charts and graphs.
tionship between poor people and the American economy from 1950 to 1980. He shows convincingly that, in absolute terms, the number of people in poverty declined from 1950 to 1968. Murray then establishes that after 1968 the rate of this decline slowed and has not picked up since.

Furthermore, Murray correctly points out that since 1965, college-educated members of minority groups have done reasonably well economically, but that less educated young people from poor families have fallen behind. He also observes that larger numbers of the poor have come from single-parent families than before, and that many have graduated from school lacking necessary skills for entry-level jobs.

Murray's historical analysis is also commendable in that it draws attention to "latent poverty" as a telling statistic. The latent poor are those individuals who live above the official poverty line solely because they receive government benefits. The percentage of the poor who fall into this category has substantially increased since 1965. Murray refers to the increase in latent poverty as the most damning of his statistics because it implies that economic independence in America has declined. Murray does not, however, identify the causes of the latent poverty phenomenon. In addition, he fails to consider that, at least in a period of transition from one mode of production to another, it may be entirely appropriate as a matter of both democratic theory and practice for the government to support the poor and unskilled who are the first to be excluded from a wage economy in flux.

III. The Poor in the Labor Market

Although Murray makes these valid points in presenting a reasonably complete and accurate historical picture, Losing Ground suffers from a methodologically deficient analysis of poor people's relation to the labor market. Murray chooses to focus only on the situation of a particular segment of the poor, namely black males between the ages of 16 and 24. He then uses the experience of this group to generalize about poverty as a phenomenon. He pays scant attention to the labor force participation of black females, a glaring omission considering that female-headed households constitute nearly half of the universe of poor households. Thus, he ignores the fact that the degree of participation of poor black women in the labor force has

4. Losing Ground at 64.
remained relatively constant since 1965. Perhaps Murray neglects to discuss this group because it does not fit neatly into his theory. The labor history of minority women casts serious doubt on Murray's thesis that changes in welfare laws encouraged the poor to stop working and thus to entrench themselves more firmly in poverty. Moreover, it is an example of the statistical gamesmanship in which Murray engages throughout his book.

Even when Murray correctly draws attention to the disastrous decline in the employment rates of young black males, he still does not fully appreciate the larger economic forces involved. Many young black males, like their white counterparts, have traditionally sought entry level jobs in labor intensive, low-skilled occupations. Unlike whites, however, blacks have been far less likely to advance into more secure managerial positions. This may be the result of a number of factors, including past and present discrimination, less and lower quality education, and a multitude of other disadvantages which poverty creates. The resulting concentration of black males in labor intensive jobs makes these individuals prime targets for elimination from the workforce as the use of labor-saving technology rises. Murray inexplicably fails to acknowledge the commonly recognized fact that the American economy has less and less need for the kind of labor which blacks have historically provided.

Although blacks have been among the first to suffer as changing economic conditions make unskilled labor redundant, current trends indicate that they will not be the last. Several factors, including United States trade policy, low overseas wages, and increased reliance on technology to improve productivity are conspiring to reduce manufacturing jobs generally in America. In time, young whites may show a decline in labor force participation similar to that already experienced by blacks.

IV. The Growth of Social Welfare Programs

Murray's analysis is based on several common misconceptions about the scope of social welfare programs, one of which is an exaggerated view of the amount of money actually spent by government on the poor. Without quite saying so, Murray continually gives the

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impression that the bulk of public welfare funds is spent in the ghetto on the illegitimate offspring of constantly increasing numbers of the “careless” poor. You would never know from Murray’s account that the amount spent for direct benefit social welfare programs such as Aid to Families with Dependent Children (AFDC) held virtually steady in the pre-Reagan years between 1975 and 1980, or that the number of social welfare recipients has increased no faster than the population since 1975.10

In fact, over half the money spent by the government on public assistance programs goes to Medicare, which benefits primarily middle-class senior citizens11 and the doctors, hospitals and nursing homes that treat them. Both Medicare and Medicaid, which also account for a large proportion of federal aid, are indirect benefit programs, providing grants to the institutions dispensing the services rather than direct aid to the ultimate recipients of these services. While these indirect aid programs make it impossible for welfare recipients to abscond with tax dollars intended for health care, the programs are very lucrative for the health care professions.12 Medicare and Medicaid can be viewed as welfare programs as much for doctors and hospitals as for poor people.

Murray vastly overstates the national commitment to eliminating poverty by assuming that all money spent on social welfare programs goes to the poor. This stems, of course, from his desire to show that since spending large sums of government money on such programs has not eliminated poverty and has made things worse for the needy by providing disincentives to work, the programs are completely ineffective and should therefore be scrapped. This argu-

10. Jencks, How Poor Are the Poor, N.Y. REV. OF BOOKS (May 9, 1985) at 41, 44.
11. The federal expenditure for Medicare in 1983 was $52.588 billion, compared to a total of $99.892 billion spent on Medicaid, AFDC and food stamps combined. In 1982, Medicare participants with incomes greater than $15,000 outnumbered by more than 2.5 to 1 those with incomes of less than $15,000. BUREAU OF CENSUS, U.S. DEP’T OF COMMERCE, STATISTICAL ABSTRACT OF THE UNITED STATES 100, 357 (1985).
12. While Legal Aid lawyers do not generally like indirect benefit programs, we often find ourselves supporting them, since their immediate beneficiaries, doctors and health care professionals, have more political clout than almost anyone else who is interested in legislation which benefits the poor. For example, in Connecticut a few years ago we grew concerned that medical care was unavailable to those poor people who are not eligible for Medicaid, in particular single adults. We tried to get a bill through the state legislature that would pay for clinics in poor communities to provide for the unmet medical needs in their areas. We got nowhere until we joined the doctors and hospitals in sponsoring a bill to set up a Medicaid-like program which would pay the medical expenses of town welfare recipients, mostly single adults. See generally P. Starr, The Social Transformation of American Medicine (1982).
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ment simply does not hold. The minimal amounts of money actually spent on the poor could not have had the effect Murray claims.

V. The Impact of Government Programs on Individual Behavior

Murray exaggerates the power of social welfare programs to alter people’s behavior. The direct welfare programs that Murray blames for destroying the work ethic among the poor represent only a relatively small portion of government’s public welfare expenditures. By latching onto the simplistic explanation that those programs directly benefiting welfare recipients cause the complex social phenomenon of persistent poverty, Murray avoids having to examine the more subtle causes of the problem. He blames welfare programs for inducing people to act in complicated ways, but offers little evidence for his assertions and fails adequately to explore other possible sources of social and individual behavior. Murray commits the same methodological error when he blames AFDC for the marked increase in teenage pregnancy over the last few years. Murray not only declines to address other obvious possible explanations for this trend, such as changes in sexual mores which cut across class and racial lines, but he distorts the relationship between teenage pregnancy and the availability of AFDC. In fact, there is little or no correlation between the two.13

While Murray’s comments on the decline of labor force participation among his ubiquitous 16- to 24-year-old black males identify a real problem, he ignores significant alternative explanations for this trend. I remember in the 1960’s hearing deeply alienated young black men claim that they were not going to take any more “slave” jobs. The new black consciousness of the 1960’s encouraged blacks to take pride in themselves and to spurn activities that would sacrifice this new-found identity. According to the movement’s tenets, a young black man was submitting to racist job segregation if he accepted a menial, low-status, dead-end job. An unintended consequence of the civil rights movement, then, was this self-imposed limitation on job opportunities for young blacks.14

13. See, e.g., Moore & Caldwell, The Effect of Government Policies on Out-of-Wedlock Sex and Pregnancy, in TEENAGE SEXUALITY, PREGNANCY AND CHILDBEARING 134 (F. Furstenberg, Jr., R. Lincoln and J. Menken eds. 1981) (citing research showing that “the level of AFDC benefits and the AFDC acceptance rate do not seem to serve as economic incentives to childbearing outside of marriage for either blacks or whites.”).

14. The awareness of discrimination and the beginnings of change which were brought about by the civil rights movement are laudable; the limitation of job opportunities wrought by that same movement was not. While the anger expressed by the movement was without question justified, it should not have served as a ground for
Murray also ignores the effects of drugs on labor force participation among young black males. Use of heroin and PCP has grown increasingly pervasive and concentrated in the ghetto.\textsuperscript{15} The economic effects of drugs are twofold: steady users often are unable to work, and drug dealers find that they can make much more money more glamorously than those holding “slave” jobs.

Although drugs and other conditions of ghetto life have taken a devastating toll on many young black men, these factors pale in comparison with the American economy’s rejection of unskilled black males. Instead of considering the structural changes in the economy that explain this rejection, Murray astoundingly claims that people hold menial jobs just long enough to qualify for unemployment insurance or welfare, after which they abandon those jobs. In asserting this, not only does Murray ignore the chronic unavailability to the poor of decent jobs, but he mistakenly portrays the poor as not finding in work any value other than economic gain. The pride and dignity which come from supporting oneself with one’s own labor do not seem to be, in Murray’s view, of importance to the poor. One of the most objectionable features of Murray’s book is this treatment of poor people’s attitude towards employment as one based solely on calculations of immediate economic return. He fails to recognize the social and cultural value of work to the poor.

The reduced employment opportunities of young black males is much more obvious today than it was in 1965.\textsuperscript{16} I am astonished when I read the want ads. On February 28, 1985, the New Haven Register listed about 1,200 jobs.\textsuperscript{17} Of those 1,200, I counted 13 that an unskilled male could reasonably hope to obtain, mainly washing dishes, washing cars and pumping gas. The New Haven experience offers further examples of how employment opportunities for low-skilled workers have changed. In New Haven, many of the factories have closed.\textsuperscript{18} Temporary labor agencies, employing

\textsuperscript{15} Since early 1979, potent heroin from the Middle East has been flowing into primarily low-income black and Hispanic communities. N.Y. Times, Sept. 10, 1981, at A18, col. 1. Moreover, the widespread use of PCP or “angel dust” has become epidemic in impoverished urban areas of Washington, D.C. See, e.g., N.Y. Times, Dec. 9, 1984, at 60, col. 1.


\textsuperscript{17} New Haven Register, Feb. 28, 1985, at 46, col. 5.

\textsuperscript{18} Examples of New Haven factories which have either closed or severely cut back
people on a daily basis to clean or work in warehouses or on minor construction jobs, are the city's largest employers of manual labor. Clearly the temporary jobs available in cities like New Haven do not provide long-term solutions to poverty. These jobs also tend to constitute the most marginal type of employment. When a business takes a downturn, part-time or temporary workers are the first to go.\textsuperscript{19}

Although Murray’s book concentrates on sociological data to the exclusion of real people, he does give one hypothetical example of the type of job which his 16- to 24-year-olds will not take, that of presser in a laundry. To make his point, Murray imagines a young couple, Harold and Phyllis, starting a family, first in 1960 and then in 1970. In 1960 when Harold goes to work because he has no other choice, he takes a job as a laundry presser. But by 1970 and thereafter, new public assistance programs offer Harold the seemingly rational alternative of staying home. In positing his hypothetical, however, Murray ignores what has become increasingly apparent: that traditional entry-level menial jobs such as laundry pressing are either disappearing or are subject to competition from many people who in the past did not take such jobs, such as unemployed graduate students and steelworkers.

Murray's alternative explanation for these multifaceted social problems, namely that social welfare programs are a cause rather than a result of unemployment, is unpersuasive. For example, Murray makes much of the adoption by Congress, in 1961, of the Unemployed Parent program (AFDC-UP). Many commentators at the time pointed out that because the AFDC program excluded two-parent families, men had an incentive to abandon their families so that the wives and children could collect welfare. Recognizing this problem, Congress allowed the states to make unemployed fathers eligible for assistance along with their families. Murray's theory is that once these men could collect welfare, they stopped looking for work.

on their operations and work force abound. A. C. Gilbert, which manufactured Lionel electric trains and erector sets, went into bankruptcy a little over 10 years ago. The operations and employment levels of Winchester Repeating Arms were reduced dramatically after its acquisition by Olin. Armstrong Rubber cut its work force back to a bare quarter of previous levels, because of the general slump of the United States tire industry. Sargent cut back its activities as well, as did Pond Lily. New Haven simply did not make the transition from smokestack industries to the high-technology and service industries which are successful today. In part because of this failure on the part of the city to adapt to changing business conditions, the workforce here is faced with the current lack of employment opportunities.

19. \textit{See} \textsc{The Urban Institute}, \textit{supra} note 16, at 83.
Murray must know, however, that only twenty-one states adopted the Unemployed Parent program.\(^{20}\) Moreover, the requirements for collecting AFDC-UP are generally so stringent that relatively few families are covered by this program. In Connecticut, for instance, a family is eligible for AFDC-UP only if the principal wage-earner has already been eligible for unemployment benefits, and has collected and exhausted them. Of the approximately 42,000 welfare families in this state, fewer than 1,200 are receiving benefits through the unemployed parent program.\(^{21}\)

The existence of this program, however, leads Murray to his myopic explanation of the temporariness of many poor people's jobs. According to him, men work only long enough to be eligible for AFDC-UP. I am unconvinced: the very small number of participants in this program, and the fact that in all my years as a legal aid lawyer no one has ever asked me how to get into the Unemployed Parent program, render Murray's conclusions about AFDC-UP ludicrous to me.

Most people are unaware that federal programs provide benefits only for families with children, the aged, and the disabled, and that childless adults receive benefits only under state and locally funded programs such as Connecticut's General Assistance. In 1980, Connecticut adopted a workfare program at the instigation of conservative legislators;\(^{22}\) this program requires every able-bodied General Assistance recipient to work off his or her state welfare grant. Participants are compensated at minimum wage rates. The amount of participation required depends upon one's General Assistance level. An incentive program allows participants to work three extra hours each week to earn $10. The idea at the time the workfare program was instituted was clearly that the lazy bums would refuse to work and would be thrown off the welfare rolls, thus saving state funds. Now, anyone who visits the New Haven City Welfare Office at 8:00


\(^{21}\) Telephone Interview with Claudette Beaulieu, Public Information Supervisor, Connecticut Department of Income Maintenance (Feb. 28, 1986). These figures are the averages for fiscal year 1985.

\(^{22}\) The state of New York has also recently instituted a work requirement for beneficiaries of the AFDC program who are judged employable. This requirement will later be extended to those receiving benefits from the state or localities in the form of Home Relief. \textit{New York Plans Job Requirement for Welfare Aid}, N.Y. Times, Oct. 20, 1985, at A1, col. 2.
a.m. can see buses filling with General Assistance recipients on their way to workfare jobs. In addition, over half of the participants take advantage of the option to work the extra hours. It seems highly likely that these people would prefer full-time jobs were they available.\textsuperscript{23}

Murray would surely have predicted that workfare would have had the effect of reducing the number of people on General Assistance. In fact, however, the number of people on General Assistance increased substantially before and throughout the workfare years. Perhaps a lack of jobs, not a lack of interest in working, has forced Connecticut residents onto General Assistance.

Furthermore, although it may be predictable in certain circumstances that an improvement in a social program will have an unwanted incentive effect, it does not follow that the improvement should on that account be ruled out. For example, while food stamps fill a desperate need for many poor people, any less than draconian enforcement of eligibility requirements does open up a possibility for abuse by non-needy individuals who may take advantage of the free food. Standards which are not absolutely watertight do increase the benefits not only to the needy, but to the abusers as well. On the other hand, extremely rigorous requirements increase the likelihood that the needy will be denied assistance. Surely the danger that a few ringers will slip into the program and cadge a free meal is more than balanced by the assistance needy people receive from food stamps. Most people, I am sure, would rather have a certain unavoidable, if small, percentage of their tax dollars go to the non-needy than have some of those who are in dire straits suffer in order to forestall feared abuse.\textsuperscript{24}

VI. \textit{The Purpose of Social Welfare Programs}

Murray, like many others with both liberal and conservative perspectives, vastly overestimates the impact of social welfare programs on individual behavior. People just do not behave according to the

\textsuperscript{23} Other states which have adopted workfare programs have also found many recipients not only willing but eager to work. \textit{See} Lamar, \textit{From Welfare to Workfare}, \textit{Time}, Feb. 3, 1986, at 16.

\textsuperscript{24} Congressional concern about the participation of non-needy households, particularly "college students, children of wealthy parents", in the food stamp program has been evident in the past. One of the ways in which Congress has tried to check this kind of abuse is manipulation of the tax law. One such attempt, a provision making households with a tax-dependent member ineligible for food stamps, was struck down by the Supreme Court for its overinclusiveness in U.S. Dep't of Agriculture v. Murry, 413 U.S. 508, 512-13 (1973).
designs of social engineers of any political persuasion. In reality, programs such as AFDC treat only the symptoms of profound and systemic problems. They should not be judged on the basis of whether they solve deep social ills, but should instead be evaluated as to whether they adequately perform the limited function of rescuing people from desperate poverty and starvation.

In the 1960's, many liberals held inflated expectations of the sadly underfunded War on Poverty. Murray and other conservatives now point out with some glee that the Great Society welfare programs did not accomplish the abolition of poverty promised by Great Society rhetoric. Ironically, the Reagan Administration has, with the language of the "safety net", defined the only role we can expect welfare to play in the absence of broader social change. If we view welfare as the minimum we are willing to do to help the chronically unemployed and underemployed, we can then see that it serves an essential support function.

For instance, no one who runs a soup kitchen or a homeless shelter thinks that these services offer a "solution" to the problems of hunger and homelessness. We are not sure what the solution is, or even if there is a solution. The only thing we can do is to use the resources available to us to relieve as much suffering as we can. Public assistance is not wonderful, but given the limited amount of money that this country is prepared to spend to help the poor, there is no obvious alternative.

Unfortunately, because it is difficult in our political culture not to promise too much, social welfare programs appear to be a series of apparent failures, never meeting the high expectations originally set for them. Nonetheless, despite the inevitable limitations of some government efforts, our public assistance programs have worked, on the whole, quite well. For example, fifteen years ago there was serious evidence of malnutrition throughout the United States. Until recently, the Food Stamp program controlled that problem, although it did not give people the virtues they did not possess before, the learning they had missed in school, or the ambition that Murray claims they lack. Now, unfortunately, thanks to Reagan's insistence on attempting to insure that not one dime of food stamp money is spent improperly or goes to any family that might not absolutely need it, symptoms of malnutrition are once again appearing in our country.25

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What is even odder about the misguided rhetoric of "solutions" is that it is applied to some government activities and not to others. No one asks, for example, how the fire department is planning to end fires. The fire department is an arm of government whose primary function is to put out fires as they occur, just as the function of social welfare programs is to try to alleviate problems of poverty as they occur. Of course, while we do have fire prevention programs, no one expects that they will eventually make firefighting obsolete. If Murray's reasoning about social welfare programs were applied to fire departments, disastrous results would likely ensue. Murray would argue by analogy that since people would be more motivated to prevent fires if we did not have fire departments, we should abolish fire departments. Along with fire insurance, firefighters simply encourage carelessness and make matters worse. Besides, we have invested large amounts of money in fire departments for years, and we still have fires: clearly fire departments do not work and should be eliminated.

VII. Conclusion

The flaws in Murray's analysis, in particular his failure to consider the labor force participation of all the poor and his skewed view of the scope, purpose and impact of social welfare programs, make his conclusions untenable. The programs are not meant to provide a solution to poverty, as Murray seems to expect them to do. The causes of poverty involve social phenomena and individual behavior which cannot be "solved" by such programs as AFDC or welfare; it is surely true that elimination of social welfare programs would only magnify the problem of poverty.

Of course, the Reagan Administration and its intellectual apologists such as Charles Murray are interested neither in the complexity of the issues nor in difficult real-life situations. They know all the answers, so they need not look at the questions. You will recall my eight-year-old friend who thought that if there were many people whose first name is Mohammed, and many people whose last name is Chang, then the world must be full of Mohammed Changer. Mohammed Chang, the product of an error in logic, is the person who has been made poor by social welfare programs. If the programs exist, and if poverty persists, well then, thinks Murray, clearly there

is a causal connection. Murray has invented Mohammed Chang, who spends his days scheming about how to take advantage of social problems which will make it unnecessary for him to work. In fact, real poor people, like most everyone else, prefer to have the opportunity to earn their money.

I would like to end this review with my own thought experiment, similar in kind to those presented by Murray at the conclusion of his book. Murray asks us to imagine policy changes, without regard to whether they are feasible or not, so that we can envision an ideal restructuring of society; specifically, he proposes the abolition of all federally assisted public welfare programs. I would rather imagine that full-time jobs, paying living wages for useful work now going undone, were made freely available to everyone. Welfare programs, then, would just be a supplement for people who could not work because they were too ill, too old, or had too many family responsibilities to work. Our society can do better than to give its needy just enough money to keep them quiet.