

Book review-In: Sheldon A. Danziger and Robert H. Haveman, Editors, Understanding Poverty, Harvard University Press, Cambridge, MA (2002), p. ix+566 \$24.95 (paper).

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Article:

Enormous shifts occurred in poverty trends, research and policies in the United States during the 1990s. Poverty rates soared early in the decade; at their peak, the rates approached the levels associated with the deep recession of the early 1980s. The rapid ascent, however, was followed by an even more rapid decline that brought poverty rates near to their historic lows of the mid-1970s. Numerous methodological developments, such as the introduction of new measures, a return to large-scale social experiments, and a more widespread and sophisticated application of qualitative, ethnographic methods, also marked the decade. In terms of policy, the federal and state governments had just begun implementing the Family Support Act and Medicaid expansions at the start of the 1990s. Within a few years, the federal government expanded the Earned Income Tax Credit, while the states began experimenting with cash assistance reforms through Section 1115 waivers from the Social Security Act. In 1996, the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA) swept the old Aid to Families with Dependent Children program aside and replaced it with Temporary Assistance for Needy Families. The legislation also changed how food assistance, child support enforcement and other programs operated. With these vast changes as a backdrop, the edited volume, *Understanding Poverty*, sets out to crystallize current thinking about various aspects of poverty.

The chapters in the volume were originally presented as papers at a 2000 conference at the Institute for Research on Poverty at the University of Wisconsin. The chapters cover a spectrum of issues and are organized into four sections. The first section, consisting of five chapters, documents recent trends in the incidence of poverty and the contribution of changing demographic and economic circumstances to those trends. The section also includes a chapter that examines the striking contrasts between the incidence of poverty in the US and other industrialized countries. The next section contains four chapters that focus on anti-poverty policies. The first chapter in this section tracks expenditures across a panoply of poverty and social insurance programs from 1970 through 1999 and discusses how those expenditures have helped to narrow the poverty gap. The next three chapters undertake more focused examinations of cash-assistance, health and education policies. The third section includes three chapters that consider the interrelationship between communities and poverty. The chapters are organized into discussions of housing discrimination, group influences and community revitalization. The volume concludes with three short chapters that evaluate the preceding material and point to additional promising avenues of research.

The strengths of the volume are its breadth and depth of coverage. The substantive chapters from the first three sections all provide comprehensive, yet concise summaries of relevant research and policies. Several chapters go farther by developing new data or explicating new research approaches. For instance, the first chapter by Gary Burtless and Timothy Smeeding not only reports how poverty trends have evolved but also shows how sensitive the trends are to alternative measures and adjustments. A later chapter by Steven Durlauf discusses the

recent intersection of sociological and economic theories regarding group affiliations. The volume succeeds in providing a tremendous amount of descriptive evidence and policy background while avoiding highly technical language and analyses. This should make it both useful and accessible to policy makers, academic researchers and students. The volume is extremely well-suited to serve as a text in a graduate or advanced undergraduate poverty course.

People interested in education issues will find Lynn Karoly's chapter on human capital policies especially useful and informative. Karoly organizes her discussion according to the age of the beneficiaries, covering skill-enhancement programs for pre-school children, school children, teenagers and adults. Along the way, Karoly is careful to document what is known and unknown about the impacts and cost-effectiveness of these programs, citing evidence from experimental and observational studies. Given the large number of programs and even larger number of studies, Karoly does a masterful job of summarizing and condensing the evidence.

Education appears in other places in the volume, though as a secondary topic. For instance, the discussions of poverty trends in the first chapters highlight the growing inequality in earnings between more- and less-skilled adults. John Yinger's chapter on housing discrimination and residential segregation explains how poverty is perpetuated when low-income families become trapped in neighborhoods with inadequate schools. Steven Durlauf's chapter complements this analysis by examining how peer effects, role model effects, social learning and social complementarities can lead to neighborhood externalities.

While the volume has many strengths, it also contains a few weaknesses. The principal shortcoming is that the chapters and book as a whole do not have a clear point of departure from previous work. Some of the chapters discuss developments up and through the end of the 1990s; others just focus on outcomes at the end of the decade, while a few others summarize older evidence. Another weakness, which Glenn Loury comments on in his concluding chapter, is the shortage of non-economic perspectives. Of particular note is the omission of recent ethnographic findings by Linda Burton, Kathryn Edin and others that point to the social and economic resourcefulness of poor families. Additional contributions by sociologists, psychologists, child development specialists and feminist scholars would have also helped to round out the volume. A more extensive examination of food assistance policies—food stamps, WIC, and school lunches and breakfasts—would have been worthwhile, especially in light of the PRWORA changes, the increasing availability of food security measures in social surveys, and growing concerns regarding obesity and nutrition. Lastly, more attention should have been given to the concluding chapters. Jane Waldfogel provides a good discussion of further research directions in her chapter; however, the other two concluding chapters are thin.

On balance, there is a lot to commend and only a little to criticize. *Understanding Poverty* is a terrific resource, with a wealth of information on poverty outcomes, determinants and policies. It deserves a place on every serious poverty researcher's and student's bookshelf.