

# **SOCIAL WELFARE POLICY IN THE UNITED STATES**

PUBPOL 746 | Winter 2019

1120 Weill Hall, Annenberg Auditorium

Tuesdays and Thursdays, 8:30-10:00am

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**Or contact Damien Siwik (dsiwik@umich.edu) to make an appointment**

## **INTRODUCTION**

This course examines U.S. social welfare programs and policies targeting the nonelderly poor, examining how they have evolved over the last five decades. The course emphasizes understanding what we know from social science research about the strengths and weaknesses and the intended and unintended effects of these policies.

The course begins by addressing basic questions about the measurement and incidence of poverty in the U.S., and then surveys the scope of current social welfare programs. What does it mean to be poor in the U.S. today? How do the extent of poverty and income inequality and the scope of social welfare programs in the U.S. compare to those in other industrialized countries?

We will review the development of social welfare programs and policies from the War on Poverty that was declared by President Lyndon Johnson in 1964. Attention will be given to understanding trends in poverty, mobility and inequality.

This course will then explore changes to public provision for the poor that were adopted during the 1990s, including expansions of refundable tax credits (most notably the Earned Income Tax Credit), liberalization of eligibility for the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp Program) and public health insurance for children. Attention is paid to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and how the cash welfare program, Temporary Assistance for Needy Families (TANF), that replaced Aid to Families with Dependent Children (AFDC), has affected the work effort and well-being of current and former welfare recipients and other individuals.

A final segment of the course will examine how policies not primarily targeting poverty can nevertheless greatly impact disadvantaged families. This conversation will be embedded in work being conducted in Detroit by Poverty Solutions faculty experts. Course assignments include a

policy analysis research paper in two parts (with a problem analysis and solution analysis), and a final examination.

## **COURSE ASSIGNMENTS**

Detailed assignment descriptions will be distributed during the first few weeks of class. The key elements upon which students will be evaluated are as follows:

### **1. Class Participation: 5%**

- This class draws heavily on the insights of students. *It is critical to prepare by completing the assigned reading. A good grade will only be possible for students familiar with course readings and who participate in class.* If you are going to miss class, please let me know ahead of time. Except for extenuating circumstances, students who miss 6 sessions will be asked to withdraw from the course.

### **2. Short assignments: 10%**

- We will do a few short assignments over the course of the semester, which will cumulatively count for 10%.

### **3. A Policy Analysis Paper in Two Parts: 50% (Part 1 = 20%; Part 2 = 30%)**

- Each student will prepare a policy analysis paper on a topic of her/his choice. The paper can cover a topic included on the syllabus or one that is related to themes of the course. The paper should present a research/policy analysis of the social welfare issue under study based on a *careful* review of the relevant empirical literature, with data and research evidence. This paper will be submitted in two parts:
  - **Part 1: Problem Analysis** (20% of final course grade). 4-page paper due Friday March 1, at 5pm via email
  - **Part 2: Revised Problem Analysis + Solution Analysis** (30% of final grade). 12 pages total, due Friday April 12 at 5pm via email
- All students will workshop their paper topics in small groups over the course of the semester.

### **4. Final Examination: 35%**

- An open-book, independent final examination will be given in class. This exam will consist of a series of short essays and cover topics from the course. I will provide sample exam questions about one week before the exam.

## **PREPARING THE CLASSROOM ENVIRONMENT**

A successful course is only possible with an open classroom environment. Students are highly encouraged to participate in class, offer insights, critique course content, and ask questions. Sometimes students do not ask questions because they fear the answers are obvious. It is often the case that if *you* have such questions, *others* do too, so they can be important ones to ask.

A successful class also depends on a respectful exchange of a diversity of views. When someone voices an opinion counter to your own, I challenge you to both respond respectfully with your

thoughts, but also to fully consider the merits of the differing view. What has led your colleague to this opinion? Could you make a compelling case for this viewpoint? It is important that policy leaders be intellectually open and thoughtful, and that positions be taken after careful analysis of empirical data and consideration of normative values. Be respectful of others. If you are waiting for someone to finish talking so you can say something, then perhaps you are not listening closely enough. In turn, demand that others respect your views.

Please extend the same respect to the authors that you do your fellow students. All of them are on the syllabus because they have thoughtfully considered an issue covered in this course. Critique is important, but please do so in a respectful way.

To ensure a good course, it is necessary that all students have access to the resources they need to fully engage with the material. **Therefore, please notify me early on if you require any accommodations due to a disability.** Also, please notify me if you will miss a class because of a religious observance, so that alternative arrangements can be made.

*\*\* If you find yourself having trouble with the classroom environment at any point, I hope you will feel welcome to visit me during office hours or by appointment to talk about it. \*\**

## **BOOKS**

The only book that I recommend for purchase is:

S. Halpern-Meehin, K. Edin, L. Tach, and J. Sykes. (2015). *It's Not Like I'm Poor: How Working Families Make Ends Meet in a Post-Welfare World*. University of California Press.

I do not require purchase of my own book, instead posting the assigned chapters on Canvas. Please don't share the book PDF with anyone outside of class though

K. Edin and H.L. Shaefer (2015). *\$2.00 a Day: Living on Almost Nothing in America*. Houghton Mifflin Harcourt.

## **COURSE OUTLINE**

### **January 10: Introduction to the course and each other**

- Discussion of the syllabus and expectations
- Discussion of assignments
- Opening questions: How should poverty be measured? What should the goals of social welfare programs be? What should be considered social policy?

No readings

### **January 15: Social and Economic Trends**

- Survey trends in income and wealth inequality over the past few decades
- Mass incarceration, causes and consequences
- Discussion of changing labor force participation
- Discussion of trends in immigration

#### Readings

- S.H. Danziger. (2007). “Fighting Poverty Revisited: What Did Researchers Know 40 Years Ago? What Do We Know Today?” *Focus*, 25(1), 3-11.  
<http://irp.wisc.edu/publications/focus/pdfs/foc251a.pdf>
- E. Saez. (2013). “Striking it Richer: The Evolution of Top Incomes in the United States.” <https://eml.berkeley.edu/~saez/saez-UStopincomes-2015.pdf>
- For fun, watch: <http://www.youtube.com/watch?v=cIAm0OrRkCI>
- B. Western & Pettit, B. (2010). “Incarceration & Social Inequality.” *Daedalus*, Summer 2010, [http://www.mitpressjournals.org/doi/pdf/10.1162/DAED\\_a\\_00019](http://www.mitpressjournals.org/doi/pdf/10.1162/DAED_a_00019)
- Not required but a resource of note: Migration Policy Institute, (2015). “Frequently requested statistics on immigrants and immigration in the United States,” <http://www.migrationpolicy.org/article/frequently-requested-statistics-immigrants-and-immigration-united-states>

#### **January 17: Who Gets to Do What Work? The case of the midlevel dental provider**

- Examine a case study of recent change in policy related to a major unmet health care need of low-income Americans. Consider occupational licensure as social policy

#### Readings

- E. Phillips, A. Gwozdek, and H.L. Shaefer (2015). “Safety Net Care and Midlevel Dental Practitioners.” *American Journal of Public Health*, 105(9), 1770-1776.

#### **January 22: Measurement of Poverty in the U.S.**

- Introduction to the Official Poverty Measure (OPM), strengths and weaknesses
- Introduction to the Supplemental Poverty Measure (SPM), strengths and weaknesses
- Consider other metrics of well-being

#### Readings

- L. Fox. (2018). The Supplemental Poverty Measure: 2017:  
<https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-265.pdf>
- B. Meyer & J. Sullivan. (2013). “Winning the War: Poverty from the Great Society to the Great Recession.” Spotlight on Poverty Exclusive Commentary (Short!), <http://spotlightonpoverty.org/spotlight-exclusives/winning-the-war-poverty-from-the-great-society-to-the-great-recession>
- H.L. Shaefer & J. Rivera. (2018). Comparing Trends in Poverty and Material Hardship over the Past Two Decades. Poverty Solutions working paper:

<https://poverty.umich.edu/working-paper/comparing-trends-in-poverty-and-material-hardship-over-the-past-two-decades/>

### **January 24: In Class Poverty Exercise**

- Who's poor, who's not? How has poverty changed over time?

#### Readings

- Familiarize yourself with (no need to read fully!) *Income and Poverty in the United States: 2017*

### **January 29: From the War on Poverty to the Work-based Safety Net**

- Revisiting the War on Poverty
- Introduction to the 1996 Welfare Reform
- Introduction to the hidden welfare state
- SNAP: America's NIT?
- Health insurance for all!

#### Readings

- M.J. Bailey & S.H. Danziger. (2013). *Legacies of the War on Poverty*. Introduction, "Legacies of the War on Poverty."  
[http://www.russellsage.org/sites/all/files/Bailey\\_Danziger\\_Chap1.pdf](http://www.russellsage.org/sites/all/files/Bailey_Danziger_Chap1.pdf)
- R.A. Moffitt (2015). The Deserving Poor, the Family, and the U.S. Welfare System. *Demography* 52, 729-749.

### **January 31: Using Many Data Points to Capture Disadvantage: A Principle Component Analysis**

- Examine a new way to identify disadvantage, triangulating across imperfect metrics
- Use the data to build short profiles of communities of deep/extreme disadvantage

### **February 5: The 1996 Welfare Reform and the Retrenchment of Cash Assistance**

- Discussion of the 1996 Welfare Reform
- What precipitated the welfare reform?
- How did it happen? And what exactly happened?

#### Readings

- Center on Budget and Policy Priorities (Updated 2018). "Policy Basics: An Introduction to TANF," <https://www.cbpp.org/sites/default/files/atoms/files/7-22-10tanf2.pdf>
- Review: <https://www.cbpp.org/state-temporary-assistance-for-needy-families-programs-do-not-provide-adequate-safety-net-for-poor>

- Optional: for historical background, K. Edin & H.L. Shaefer (2015). *\$2 a Day: Living on Almost Nothing in America*. “Welfare is Dead” Available on Canvas.

### **February 7: Using Many Data Points to Capture Disadvantage: A Principle Component Analysis**

- Present short profiles of communities of deep/extreme disadvantage

### **February 12: The 1996 Welfare Reform: The Effects on Labor Market and Other Outcomes**

- Survey what is known about the labor market effects of TANF
- Survey estimates of effects on other outcome (material hardship, child development)
- Discuss—why such different views? Are they so different?

#### Readings

- R. Haskins, (2015). “TANF at Age 20: Work Still Works,” *Journal of Policy Analysis and Management*. Available on Canvas.
- Danziger et al. (2015). “From Welfare to a Work-Based Safety Net: An Incomplete Transition,” *Journal of Policy Analysis and Management*. Available on Canvas.

### **February 14: Student Policy Analysis Paper Workshop Session**

- Paper workshop session—work in groups of 4 to discuss paper topics and brainstorm about them.

No additional readings—Prepare a 10-minute presentation on your paper

### **February 19: The Supplemental Nutrition Assistance Program: America’s NIT?**

- SNAP is probably the most important anti-poverty program in the U.S. How did we get there?
- Does \$1 in SNAP = \$1 in cash? Yes and no
- Why is it so hard to assess SNAP’s effects?

#### Readings

- J. Bartfeld, C. Gundersen, T. Smeeding and J. Ziliak (2015). “SNAP Matters: How Food Stamps Affect Health and Well Being.” Review powerpoint presentation, <http://www.irp.wisc.edu/publications/media/webinars/2015/Dec2-2-2015-Webinar-SNAP.pdf>
- H.W. Hoynes, D.W. Schanzenbach & D. Almond (2016). “Long-Run Impacts of Childhood Access to the Safety Net.” *American Economic Review*, 106(4), 903-34. Available on Canvas. *Scan the methods*.

### **February 21: SNAP and Other Nutrition Assistance Program**

- School Lunch and School Breakfast
- WIC
- What do we know about them?

### Readings

- Effects of WIC: A Review of Recent Research, <http://www.fns.usda.gov/sites/default/files/WICMedicaidLitRevSum.pdf>

### February 26: The Hidden Welfare State: The Rise of Refundable Tax Credits

- What is the EITC, how does it work?
- What do we know about its labor market effects?

### Readings

- S. Halpern-Meekin, K. Edin, L. Tach & J. Sykes. (2015). *It's Not Like I'm Poor*. Introduction and Chapter 1 & 2.

### February 28: The Hidden Welfare State, continued

- How do people spend their EITC?
- Tackling fraud in the EITC

### Readings

- S. Halpern-Meekin, K. Edin, L. Tach & J. Sykes. (2015). *It's Not Like I'm Poor*. Chapters 3 and 4.

\*\*\*\*\* PAPER 1 DUE FRIDAY MARCH 1 AT 5PM \*\*\*\*\*

\*\*\*\*\* ENJOY SPRING BREAK\*\*\*\*\*

### March 12: When Social Policy Isn't: Auto Insurance and Driver Responsibility Fees

- What about social policies that seemingly have nothing to do with poverty?

Read Poverty Solutions Brief on Auto Insurance, see canvas

### March 14: Changes in the Health Insurance Safety Net

- The exchanges, and Medicaid expansions. What is the state of ACA?
- CHIP Expansion—Where the children go, will we follow?
- Is Medicaid a good investment?
- Should we just give people money instead?

### Readings

- A. Shartzter, S. Long & N. Anderson. (2016). Access to Care and Affordability have Improved Following Affordable Care Act Implementation; Problems Remain. *Health Affairs*, 35(1). Available on Canvas.
- K. Baicker, S.L. Taubman, H.L. Allen, M. Bernstein, J.H. Gruber, J.P. Newhouse, E.C. Schneider, B.J. Wright, A.M. Zaslavsky, A.N. Finkelstein. (2013). “The Oregon Experiment—Effects of Medicaid on Clinical Outcomes.” *New England Journal of Medicine*. Available on Canvas.
- S.L. Taubman, H.L. Allen, B.J. Wright, K. Baicker, A.N. Finkelstein. (2013). “Medicaid Increases Emergency-Department Use: Evidence From Oregon’s Health Insurance Experiment.” *Science*. Available on Canvas.

### **March 19: Extreme Poverty in the United States**

- What does extreme poverty look like in the United States?

#### Readings:

- K. Edin & H.L. Shaefer (2015). *\$2 a Day: Living on Almost Nothing in America*. Pick “Perilous Work” OR “A Room of One’s Own” AND “A World Apart” Available on Canvas.
- Phillip Alston, United Nations Report on Extreme Poverty in the U.S., available on canvas

### **March 21: Policy Proposals to Improve the Safety Net**

- Does Former Speaker Ryan have a better way?
- Is more federalism the answer? Will it lead to innovation?
- What about a wage subsidy program?

#### Readings:

- Task Force on Poverty, Opportunity, and Upward Mobility. (2016). “A Better Way: Our Vision for a Confident America.”  
<https://abetterway.speaker.gov/assets/pdf/ABetterWay-Poverty-PolicyPaper.pdf>

### **March 26: Student Policy Analysis Paper Workshop Session**

- Students will organize into small groups and discuss their paper. Each student will present on their paper topic for 10 minutes, and student groups will engage in feedback for 10-15 minutes.

### **March 28: Policy Proposals to Improve the Safety Net II**

- Should we intervene on wealth or jobs?

#### Readings:

- D. Hamilton and W. Darity, Jr. (2010). Can ‘Baby Bonds’ Eliminate the Racial Wealth Gap in Putative Post-Racial America? *Review of Black Political Economy*, 37(3,4):207-216. Available on Canvas
- MDRC, Subsidized Employment is a strategy for tough economic times and for the hard-to-employ. Available on Canvas.

**April 2: Introduction to the Poverty Solutions, Partnership on Economic Mobility with the City of Detroit**

- Discussion of the Partnership on Economic Mobility

**April 4: Concentrated Poverty? What’s to Be Done?**

- Assessing the implications of Chetty et al. for understanding place-based initiatives

Readings

- W.J. Wilson. 2009. *More Than Just Race*. Chapter 2, “The Forces Shaping Concentrated Poverty.” Available on Canvas.
- R. Chetty, N. Hendren, and Lawrence Katz. “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment” NBER working paper 21156. Available on Canvas.

**April 9: The United States in Comparative Perspective**

- How does the U.S. compare to with other industrialized countries?
- What are new strategies for poverty alleviation internationally?

Readings

- T.M. Smeeding & C. Thévenot (2015). “Addressing Child Poverty – How Do the United States Compare with Other Nations? Available on Canvas.
- T. Smeeding and J. Waldfogel. (2010). “Fighting Child Poverty in the United States and United Kingdom: An Update.” *Fast Focus*, no. 8-2010, <http://www.irp.wisc.edu/publications/fastfocus/pdfs/FF8-2010.pdf>

\*\*\*\*\* PAPER PART 2 DUE APRIL 12 AT 5PM \*\*\*\*\*

**April 11: NATIONAL ACADEMY OF SCIENCES REPORT ON REDUCING CHILD POVERTY**

**April 16: The American Recovery and Reinvestment Act: A Shock to System**

- If a tree falls in the forest, and no-one is around to hear it, does it make a sound?
- If a massive economic stimulus works, but no-one believe it, did it work?
- What lessons should we draw from ARRA?

Readings

- S.H. Danziger (2013). “Evaluating the Effects of the Great Recession.” *ANNALS of the American Academy of Political and Social Science*, 650(6). Available on Canvas.
- R. Moffit. (2013). “The Great Recession and the Social Safety Net.” *ANNALS of the American Academy of Political and Social Science*, 650(6). Available on Canvas.

**April 18: RETURN TO PROJECTS RELATED TO THE PARTNERSHIP ON ECONOMIC MOBILITY**

**April 23: Class Wrap Up, Discussion of the Final**

**\* FINAL EXAM WILL BE HELD DURING EXAM WEEK, TENTATIVELY APRIL 29, 1030am-1230pm \***