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MURRAY'S MODEST PROPOSAL—ABOLISHING WELFARE AND AFFIRMATIVE ACTION

Twenty years ago, a book on poverty swept through Washington. It was Michael Harrington's *The Other America*, the intellectual parent—or godparent, at least—of the War on Poverty. Its message was that the government was morally obligated to do something about the forgotten American poor.

During the past year, another book has been sweeping some Washington opinionmakers off their feet. Once again, the subject is poverty. But this time the message is far different. According to Charles Murray's *Losing Ground*, the War on Poverty was a tragic mistake. Murray believes the social programs of the last twenty years have hurt those they were designed to help. This is his own summary of the book:

> Basic indicators of well-being took a turn for the worse in the 1960s, most consistently and most drastically for the poor. In some cases, earlier progress slowed; in other cases mild deterioration accelerated; in a few instances advance turned into retreat. The trendlines on many of the indicators are—literally—unbelievable to people who do not make a profession of following them.

> A government's social policy helps set the rules of the game—the stakes, the risks, the payoffs, the tradeoffs, and the strategies for making a living, raising a family, having fun, defining what “winning” and “success” mean. The more vulnerable a population and the fewer its independent resources, the more decisive is the effect of the rules imposed from above. The most compelling explanation for the market shift in the fortunes of the poor is that they continued to respond, as they always had, to the world as they found it, but that we—meaning the not-poor and un-disadvantaged—had changed the rules of their world. Not of our world, just of theirs. The first effect of the new rules was to make it profitable for the poor to behave in the short term in ways that were destructive in the long term. Their second effect was to mask these long-term losses—to subsidize irretrievable mistakes. We tried to provide more for the poor and produced more poor instead. We tried to remove the barriers to escape from poverty, and inadvertently built a trap.\(^1\)

Murray's solution? Abolish welfare, affirmative action, and virtually all other programs for the poor.\(^2\)

Because his proposal is so radical, some readers may be

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2. *Id.* at 221-23, 227-28.
tempted to dismiss Murray as a conservative crackpot—the James Watt of poverty law. That would be a mistake. Although a strong strain of conservative ideology emerges now and then, the bulk of his book is thoughtful and well-documented. Unlike some conservatives, he is generous in praising the good intentions of those who led the War on Poverty. His statistics check out against other sources. And, for whatever it is worth, he is being taken very seriously indeed by Washington policymakers.

Besides its general social significance, Murray's thesis has a good deal of relevance to constitutional law. Among the culprits for the present plight of the poor, he includes Supreme Court decisions imposing constitutional restrictions on welfare agencies, schools, and the police. He also calls for an end to affirmative action. If he is correct, a variety of Supreme Court decisions from *Goldberg v. Kelly* to *Fullilove v. Klutznick* and perhaps even *Mapp* and *Miranda* should be reconsidered.

Although this essay will focus on Murray's book, I will also have occasion to discuss two other recent books on race and poverty in America. One is by Michael Harrington. Although he realizes that the political timing is hardly right for a new war on poverty, Harrington's *The New American Poverty* is intended to lay the intellectual foundation for a future crusade against poverty. Unlike Murray, Harrington draws on years of experience with the poor, as well as using the statistical approach favored by Murray. He is perhaps at his best in attacking conservative views. The other book, *Blacks and Whites: Narrowing the Gap?* by Reynolds Farley, is a sober, objective attempt to assess the current economic status of American blacks. Farley's book is an invaluable analysis of census statistics over the last thirty-five years. In important respects, Farley and Harrington both disagree with Murray. To a startling degree, however, Farley (a mainstream academic) and Harrington (a democratic socialist) confirm the statistical evidence underlying Murray's neoconservative thesis.

The facts are not very much in dispute. From 1950 to 1964 (about when poverty was "discovered" by Washington policymakers), the percentage of the population below the poverty line

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3. This seems especially clear in his discussion of the weakening linkage between social outcomes and individual merit, which suggests that he would have moral objections to welfare even if it had none of the adverse practical effects he identifies. See *id.* at 178-91.

4. *Id.* at 164, 173.

5. *Id.* at 223.
Poverty and Government Spending

dropped from about 30% to 18%. During the remainder of the Johnson years, poverty continued dropping at about the same rate. As Figure 1 shows, however, progress in eliminating poverty stopped just about when large amounts of federal money began pouring into the welfare system. Rather aptly, Murray calls this the "poverty/spending paradox." Indeed, the amount of latent poverty—the number who are over the poverty line only because of some form of welfare—has gotten a bit worse—up from 18.2% in 1968 to 22% in 1980.

It is bad enough that poverty remained constant despite the increased spending. But at about the same time, several other in-

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6. Id. at 58.
7. Figure 1 is taken from id. at 57.
8. Id. at 64-65.
dicators got much worse. 9 One set of indicators relates to the black family. From 1950 to 1963, the percentage of illegitimate black births rose slightly (from 17% to 23%). By 1980, however, 48% of black births were to single women. The percentage of white illegitimate births increased at an even more dramatic rate, but from a much smaller baseline—from under 2% to 11% over the same period. 10 This suggests that the increase of black illegitimate births may have been at least partly due to causes unrelated to race.

A related trend concerns the number of female-headed households. In 1965, Daniel Moynihan achieved instant notoriety with a report on the breakup of black families. As Murray noted, “[a]t the time Moynihan wrote his report, the rate of decline in two-parent families that had caused the uproar was about to triple.” 11 Until about 1967, the proportion of black female-headed households was stable at about 25%-28%. By 1980, it had leaped to 41%. 12 More alarmingly, by 1980, 44% of low-income blacks lived in such households, as did 65% of all blacks below the poverty line. 13

Think of it this way: by 1980, two out of every three poor blacks lived in a household with no father or husband present. Census analysts report that by 1980 changes in family composition accounted for one-third of the American poor. 14 This phenomenon has become known as the “feminization of poverty.”

These statistics may misleadingly suggest a picture of an increasing number of black women, who have never been married, each having an increasing number of illegitimate children. The phrase “the feminization of poverty” also tends to suggest that female-headed households are poorer than they used to be. At the risk of a slight digression, these widespread beliefs deserve a closer look.

Farley’s careful analysis demonstrates that these impressions are false. True, the number of single black women has risen, but an equally important trend is the similar increase in the percentage of divorced black women. 15 (The divorce rate for blacks is about twice that for whites, while a divorced black woman is only half as likely to remarry as a white woman.) 16 By 1980, only a third of black

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9. One that Murray discusses is crime, but because criminology is such a complex field in its own right, his theories about crime will not be discussed here.
10. See C. Murray, supra note 1, at 125-29.
11. Id. at 129.
12. Id. at 129-30.
13. Id. at 132.
14. Id. at 133.
16. Id.
women were married and living with their husbands.\textsuperscript{17}

The figures on black illegitimate births may also be somewhat misleading, conjuring up a picture of increasingly fertile single women. It is true that the percentage of illegitimate black births has risen to almost 60%. But the fertility rate (number of births per 100,000 women) of unmarried black women actually declined during the 1970's.\textsuperscript{18} This paradox is explained by two additional facts: the total number of single black women increased dramatically, and the birth rate for married women went down even more sharply than that for single women.\textsuperscript{19} As a result, despite the declining birth rate of single black women, they accounted for a much higher percentage of births.

As a consequence of these various trends, by 1980 only 40\% of black children lived with both parents. About one in five lived with a mother who had never married. Furthermore, almost one out of every eight black children lives with neither parent.\textsuperscript{20} (Where are these children living? With grandparents? In foster homes? In institutions? No one seems to have an explanation for this appalling statistic.) Most black children of divorced parents never return to a two-parent family.\textsuperscript{21}

As Farley points out, the facts behind the "feminization of poverty" are also complex. Actually, at least until 1978, the poverty rate for female-headed black households was declining.\textsuperscript{22} Moreover, these households also had slightly increasing per capita incomes. The problem is that everybody else's per capita income rose much more sharply.\textsuperscript{23} As a result, female-headed households fell behind economically. A much higher proportion of male-headed families escaped from poverty from 1960-1980 (and they were never more than one-half the poor).\textsuperscript{24} Just as the birth rate among single black women has declined, so has their poverty rate. In both instances, however, the decline was outweighed by the dis-

\begin{itemize}
\item \textsuperscript{17} Id. at 137.
\item \textsuperscript{18} Id. at 139.
\item \textsuperscript{19} See id.; C. Murray, supra note 1, at 125-26.
\item \textsuperscript{20} See R. Farley, supra note 15, at 141.
\item \textsuperscript{21} Id.
\item \textsuperscript{22} Id. at 160.
\item \textsuperscript{23} Id. at 158-61. As Farley explains:
\begin{quote}
In an absolute sense, families headed by women are not getting any poorer over time. They made modest gains in per capita income in the 1960s and 1970s. However, their gains were small compared to those of families that included a married couple. Thus, relative to husband-wife families, female-headed families are getting poorer. Economic polarization by type of family is occurring among both blacks and whites.
\end{quote}
\item \textsuperscript{24} Id. at 187 (emphasis in original).
\end{itemize}
proportionate growth in the absolute numbers of single black women and the sharper decline in the relevant rates for other groups.

So far, we have mostly been discussing the situation of black women. We will leave to the next section the earnings of employed black men. But in discussing poverty, we cannot ignore the problem of joblessness. Let’s begin with what economists call unemployment—people who are looking for work but can’t find it. Obviously, unemployment fluctuates with the state of the economy; indeed, economic growth has even stronger effects on black unemployment than white unemployment. The unemployment rate for blacks is consistently about twice that for whites, but the difference is increasing. In Farley’s carefully neutral academic prose, “There is a long-term trend toward a larger racial difference in the proportion of men who cannot find work.” As Murray points out, much of the increased black unemployment is concentrated among young blacks.

Even more serious are the figures on what economists call labor force participation, the number working or looking for work. Beginning sometime in the 1960’s, labor force participation by black men began to decline sharply. Farley observes that most of the decline came after 1970. By 1982, 12% of black men were out of the labor force and not even looking for work. (An equal number were unable to find work.) Several explanations have been proposed:

1. They’re discouraged because they’re unable to find work.
2. They’re disabled.
3. They’re living on other sources of income like crime or welfare (their own or someone else’s).

There seems to be relatively little evidence available to test these hypotheses. Clearly, this is an area in urgent need of serious attention.

By now, the reader may be a bit sick of all these statistics—but
the numbers deserve a more thoughtful response than nausea. Poverty, far from disappearing, has proved itself quite resistant to attack. In some respects, the problem is getting worse. Poverty is not a politically attractive issue these days. Even in the relatively liberal law school world, who teaches or writes about "Law and Poverty" anymore? Even the critical legal scholars don't seem to have much to say about the poor. It's about time poverty received some serious attention.

II

One way of summarizing this data is to say that despite increased federal efforts, poverty has gotten worse. Murray, however, would put it differently. He would say that poverty has gotten worse precisely because of the federal effort. His solution is to end the federal programs, including not only funding for AFDC, but presumably also various Supreme Court rulings ostensibly calculated to assist the poor.33

Murray's proposal is entirely dependent on his causation hypothesis. How good is his evidence that federal aid to the poor has caused increased poverty and dependency, the breakdown of the black family, and so on? He makes three basic arguments for his causal link.

The first argument is that so many indicators got bad just when the federal government started spending a lot of money. Murray effectively illustrates this argument with a number of rather dramatic graphs. The problem, of course, is that the world changed in many ways between 1965 and 1975. How can we know that one particular change in government policy caused the problem? Murray attempts to rebut some other possible explanations but only in a rather half-hearted way.34

He also presents some other dramatic graphs showing that the situation in 1980 is much worse than a statistician would have predicted from earlier trends.35 Again, at best this only shows that something unexpected happened. In addition, we are given no reason to believe that such statistical predictions are generally accurate. For example, would his 1950's trends have predicted his 1960's data? If not, it is no surprise that the predictions for 1980

33. Somewhat inconsistently, Murray is willing to tolerate local welfare and private charity. Also, after some hesitation, he has now decided to tolerate unemployment compensation, and presumably Social Security for the retired. So his solution is not quite as brutal as it first appears, but it is nonetheless quite radical. See id. at 227-33.
35. See C. Murray, supra note 1, at 140.
were off. Finally, one suspects that the results of such predictions are rather sensitive to methodological choices. Perhaps other methods would have led to more accurate predictions; Murray had little reason to try to improve the accuracy of the predictions. The graphs are rhetorically quite effective, but the best that can really be said for them is that they are mildly suggestive of a connection between government spending and various poverty indices.

Murray’s second argument is that if you reduce the penalty for being poor, you reduce the incentive to get out of poverty. In particular, Murray argues that changes in welfare rules made marriage and full-time employment less attractive, and welfare more attractive. This is undoubtedly true, and any economist would expect this change in incentives to change behavior. This argument plausibly indicates that some part of the problems Murray identifies is due to the decreased penalties for poverty. But no sophisticated economist would say that this argument proves that the changed incentive structure caused the entire set of problems. For example, if welfare decreases the incentive to work, the effect should be greatest for women, who have lower wages than men and also benefit more directly from welfare. Yet labor force participation by women has increased.

The third argument is less easily dismissed. In 1968, the federal government began a ten-year study, using 8700 subjects, of the effects of a guaranteed minimum income. Much to the chagrin of the sponsors, the program had seriously negative effects. Wives in the study reduced their interest in work by 20%. Young men who had not yet started families worked 43% less; even those who married worked 33% less. Divorce rates increased substantially (66% for black families in New Jersey). Lest the reader suspect Murray of fudging his data, Farley has a similar report. The guaranteed income was apparently more generous than available welfare benefits (otherwise no one would participate). At lower levels of welfare, work and marriage may be much more attractive as options. Therefore, the results are not quantitatively meaningful as applied to the actual welfare system. Nevertheless, they strengthen the plausi-

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36. See id. at 154-62.
37. One would certainly need a quantitative model before even beginning to entertain this hypothesis. One would also like information on such factors as the changing availability and desirability of various alternatives to welfare.
38. The labor force participation rate for black women increased between 1955 and 1981 by 7.5%. More than half the increase occurred after 1968. See Harrington, supra note 28, at 8.
41. As Farley points out, some other aspects of the experiment suggest that the results
bility of Murray's other arguments.

The present welfare system quite possibly does have some significant negative effects. It may well increase divorce and illegitimacy and decrease work, in the long run worsening the dependency of the poor. This is enough of an indictment without Murray's hyperbolic accusation that these problems are entirely caused by the welfare system.

The solution, however, is not nearly as obvious as Murray would have us believe. Indeed, even assuming Murray's causation hypothesis is correct, his solution does not necessarily follow. Fire insurance no doubt increases the number of fires by decreasing the incentive to be careful and increasing the incentive for arson. Still, few argue for abolishing fire insurance. Its benefits are thought to outweigh its undoubted negative effects.

Similarly, even if welfare harms the hard core poor, it reaches a great many others. Our last issue discussed a Michigan study that followed the lives of 5000 American families from 1968 to 1978. The study found that over 25% of the population received some kind of welfare during that period. Only 10% received aid for as much as half of the period. And only 2% received aid for all ten years. It is this 2% who are presumably most likely to be victims of the Murray syndrome. But over ten times as many people receive welfare for shorter periods. (These numbers track similar figures about poverty. As we reported in our last issue, a great many people were poor for brief periods, often due to loss of employment or spouse, and then escaped poverty.) For these people, the welfare system serves as a kind of insurance against temporary hard times, not unlike the unemployment compensation Murray is willing to accept.

Any proposal for welfare reform must consider three groups of people:

1. The large group of short-term poor identified in the Michigan study.
2. The much smaller group of persistent poor who are harmed by the welfare system (assuming Murray is correct).
3. Another group of the persistent poor (of uncertain size compared with group

might actually be understated. See id. Jencks, supra note 34, attacks Murray's causation argument but does not address the income maintenance experiment, which seems to be Murray's strongest support.

42. The statement in the text obviously represents my own values. Some radical feminists might praise the welfare system for freeing black men from the tyranny of employers and freeing black women and children from the tyranny of men. I rather doubt, however, that any of those radicals have ever actually lived on welfare.

Murray considers only the effect of welfare on group 2, assumes group 3 is much smaller, and ignores group 1 entirely. As a prescription for reform, such an analysis can hardly be taken seriously.

III

Another question considered at much less length in Murray's book is that of affirmative action in employment. Let's begin again with the facts about black employees.

The "good news" is aptly summarized by Murray:

We may begin with a generalization. There is now a broad scholarly consensus that the gains in income parity are real and large among that subpopulation of blacks who obtained an education and stayed in the labor force. At the top of the ladder, the black-white discrepancy has shrunk to a few percentage points. By 1980, black males in professional and technical occupations were making 86 percent of the salary of their white counterparts. Black females made 98 percent.

When additional factors are taken into account—differences in quality of education, years of experience, and so on—it may be that, for all practical purposes, the racial difference has disappeared for this one subgroup. Richard Freeman, a Harvard economist, argues that "[d]etailed investigation of the National Longitudinal Survey shows that the occupational position of young black men entering the market after 1964 is essentially the same as that of young whites with similar backgrounds," a conclusion that finds additional support in the 1973 Occupational Change in a Generation (OCG) survey. Members of the "black elite" entering the job market have achieved something very close to parity.46

The percentage of blacks in white-collar jobs has more than doubled since 1960, up from 14% to 39% in 1980.47 As Harrington points out, there were dramatic gains in the percentages of black professionals:

There were very real gains, particularly in the sixties but even in the seventies. The percentage of black accountants doubled between 1972 and 1981, from 4.3 percent to 9.9 percent; computer specialists went from 5.5 percent to 9.4 percent; chemists from 8.4 percent to 15.2 percent; medical doctors from 6.3 percent to 11 percent. So the proportion of black doctors (11 percent) was almost equal to the official black percentage of the population as a whole (11.6 percent), and the chemists were well above it. All of these gains took place in the best-paid sector of American society, among professional and technical workers.

Of course, things were not quite that good, even when progress was being made. The most striking black advances—they were 12.7 percent of the nurses in 1981, 14.9 percent of the health technicians, 20.2 percent of the social and recreational workers, 11.4 percent of the elementary-school teachers, 15.5 percent of the kindergarten teachers—were in the lowest-paid reaches of the highest-paid cate-

45. As Murray himself says, "There is no such thing as an undeserving five-year-old."
46. C. Murray, supra note 1, at 223.
47. Id. at 86. Much of the increase was in government employment. See id. at 87.
gory. In this, the situation of blacks and of women is strikingly similar. When either group gets into the professions, it tends to get the lesser roles (nurses rather than surgeons, dental technicians rather than dentists, and so on).48

Economic gains were not, however, confined to the upper-end of the income spectrum. As Farley reports, "Between 1960 and 1980 the earnings of blacks rose more rapidly than those of whites, and there is good reason to believe that racial discrimination in pay rates declined."49 Figure 2 on the next page illustrates the trends.50 Both groups of blacks lag well behind white men but have made real progress. For example, with the same education, experience, regional distribution, and hours of work as white men, black men today would on the average make 88% as much. (One reason the gap has narrowed is that the earnings of white men have declined since the 1973 recession.)51

Perhaps the greatest economic change has involved black women. As Murray puts it:

The second group that made the most progress was black women—not just a highly educated elite, but women in a broad spectrum of occupations. Black women in all nonagricultural occupations had by 1980 effectively wiped out the racial discrepancy—which is to say, they were by then no more underpaid relative to white males than were white women. From managerial positions (106 percent of the white wage) to household workers (141 percent of the white wage), black women as of 1980 were earning as much as their white female counterparts. Of all nonfarm categories, the lowest ratio of black:white women’s wages (100 means equality) was a high 94.3, for blue-collar operatives. In agriculture, the ratio was 81.4.52

Thus, black women as a group have now achieved the distinction of being economically disadvantaged only by being female, not by being black.53 (Of course, as Figure 2 shows, this still leaves them worse off than either black or white men, in terms of earnings.)

49. R. FARLEY, supra note 15, at 72.
50. Figure 2 (including the caption) is taken from id. at 73.
51. Id. at 62.
52. C. MURRAY, supra note 1, at 90-91.
53. It would be more accurate to say that if black women suffer from continuing group discrimination as blacks, they must suffer less from gender discrimination than do white women. Also, even if discrimination is not sufficiently uniform to affect group earnings, individual black women are undoubtedly subject to racially discriminatory acts.
Figure 2

The white bars on the left of each set are the actual annual earnings levels. The light bars in the middle of each set show what earnings would be if the group in question had had the same number of years of education, years of work experience, and regional distribution as white men. The dark gray bar adds the assumption of equal hours of work.
We shouldn’t feel complacent about these numbers. Progress is still quite slow compared to the remaining gap in income between black and white families. In sharp contrast to the dismal statistics on poverty, however, at least the movement is in the right direction.

How much of this change is attributable to affirmative action or employment discrimination laws is impossible to say. Nevertheless, this seems a good place to apply the conservative maxim: “If it’s not broken, don’t fix it.” If the earnings of employed blacks are rising, it seems reasonable to give at least part of the credit to Title VII and affirmative action. After all, Murray himself demonstrates that black incomes and occupations have risen more rapidly than 1950’s and 1960’s trends would have predicted.

It is possible, as Murray suggests, that discrimination laws help blacks with their initial salaries but hurt them in promotion or in getting hired in the first place. On the other hand, one would expect these effects to be strongest for black women, who get the most protection from Title VII and affirmative action since they are members of two protected classes (blacks and women). Yet the statistics on black women show strong gains.

Drawing firm conclusions in such a treacherous area is risky. The statistics on earnings do suggest two lessons for the legal system. First, the economic case against discrimination law and affirmative action has not been made. Second, black men, black women, and white women have all fared differently and should probably be treated separately for purposes of discrimination law. Although some pioneering work has been done in that direction, legal analysis of discrimination against subgroups is still in its formative years.

Perhaps a few closing words are in order about the three books discussed in this essay. Murray is provocative, readable, and an accessible source of statistics. Farley is drier and more technical, but also gives a much fuller analysis. Harrington is a sane, humane voice; I only wish I had more confidence that his better world is

54. See R. Farley supra note 15, at 79-80. As he says earlier in the book, “[I]f the growth rates of 1959-1982 persist without interruption, the median incomes of black and white families in the United States will be equal in about three centuries." Id. at 15.
56. See C. Murray, supra note 1, at 91-92.
58. Harrington’s goal is “the abolition of welfare through the creation of a full-employment society that would not need it.” M. Harrington, supra note 31, at 143. If only we knew how to create such a full-employment society without runaway inflation!
achievable. All three are well worth reading. But none of them has any answers in which one can put much faith.

D.A.F.