

Class Matters

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Working Hard and Getting By: Surviving on Poverty Level Wages

The poverty level budget presented in an earlier issue of this newsletter illustrates the difficulties that families living at that income have in making ends meet. A variety of research based resources reveal that low-income families – even those able to use some forms of self-provisioning such as hunting, fishing, gardening, bartering, or even working “under the table” – find survival a challenge. A book published at the onset of welfare reform provides a picture of how a number of low-income single mothers survived poverty level wages. Authors of *Making Ends Meet*, interviewed nearly 400 single mothers who relied on low-income work and/or welfare. The study showed how the mothers used a variety of strategies to balance their budgets on poverty level wages. Even though welfare was more readily available at the time of the study, and often appeared the logical choice over work as it provided health insurance and other benefits, all mothers in the study had a great deal of paid work experience. In reality, instead of the pre-welfare reform visions of welfare mothers living well while hardly working, this study illustrated how parents combined welfare and work to make ends meet and provided children with what the mothers considered the fundamentals of responsible parenting: “to ensure that their children were sheltered, fed, clothed, supervised, educated, disciplined, and loved.” (p. 5).

Authors of *Making Ends Meet* and other pre-welfare reform research concluded that most welfare recipients left the rolls within two years. Few used welfare continuously. Just about all of those who received welfare spent three times as many of their adult years off the rolls as on. And, instead of raising children who also used welfare, about one-fifth of the daughters of highly dependent welfare mothers become highly dependent themselves. Two-thirds of the daughters of highly dependent welfare mothers never used welfare as adults.

Despite these realities, taxpayers and government officials generally viewed welfare recipients as people willing to live their adult years off the hard work of others while raising children who would do the same. Lifetime limits, a guiding philosophy of welfare reform legislation instituted in 1996 and re-authorized last year, demanded that states impose a maximum five year **lifetime** limit on cash-assistance. (Idaho’s lifetime limit stands at two years.)

In Edin and Lein’s study (*Making Ends Meet*), women were equally divided among those who received cash benefits and those who did not. In the study, mothers using welfare had considerable experience in the paid labor force. Likewise, mothers in the paid labor force had experience using welfare’s cash assistance program. The study found that neither work nor welfare provided enough to support families. Because of this,

*“States who want to meet the twin goals of getting welfare mothers to work while safeguarding the well being of children must understand that the **real problem with the federal welfare system is primarily a labor market problem.** For the large majority of mothers we interviewed, it was lack of access to a living wage, not a pervasive poverty culture, which made working so difficult. Unless states manage to provide low-income single mothers with the skills that will lead to **living wage jobs**, single mothers who work will continue to need government help”*

Edin & Lein, Making Ends Meet: How Single Mothers Survive Low wage Work and Welfare.

all but ONE of the 379 mothers interviewed used other strategies while on welfare to produce income and make sure they survived economically. That one mother – a recipient of public housing, food stamps, Medicaid, and financial assistance – followed welfare's strict rules to the letter. She did not work under the table nor did she accept cash from the father of her child, or "cheat" on welfare in any other way. As a result, her child went without food and adequate clothing on a regular basis. As the only mother in the study who always obeyed the rules imposed by welfare, she was also the only mother in danger of losing custody of her child because child welfare workers considered her a "neglectful" mother.

It is easier to understand the economic decisions of mothers in this study if one considers the context of their actions. All over America, unskilled and semi-skilled single mothers face dismal financial and personal situations. But, like mothers in every economic circumstance, they want to be good mothers and good providers. These shared definitions of good mothering affected how study respondents spent their money. Good mothers, they believed, should "treat" their children on occasion. Therefore, sometimes mothers would go without necessities to pay for a cable subscription, a movie rental, a trip to a fast food restaurant, and new clothes for the first day of school. Although these items are not essential for a child's well-being, a cable television subscription is a comparatively inexpensive way to keep children off the streets and away from undesirable peers.

Concerns about good mothering influenced how mothers thought about the advantages of low-wage work versus welfare. The jobs open to unskilled and semi-skilled women were the ones least compatible with "good" mothering. Low-wage work seldom provided health insurance, offered unpredictable or limited hours, required irregular work times – often when child care was unavailable – provided few if any paid vacation or sick days, and did not allow mothers to take or make personal calls to check on children left home alone.

One mother, in her late 30's with a high school diploma, worked 20 years for a large national chain store. She worked the first 15 years as a cashier, earning minimum wage. In 1986, she received a promotion to the service counter and a 65¢ an hour wage increase. After five years in that position, the company added another \$1.00 per hour, the highest wage she had ever received. She had never been late or taken a sick day, and her boss told her she was one of his most competent employees, yet her hourly salary over

the past twenty years rose by \$1.65. This mother made ends meet for three reasons: 1) her children, all in their teens, did not require childcare. However, their truancy rate was so high that she feared they would not finish high school. 2) She had a Section 8 housing subsidy that allowed her to live in an apartment within walking distance of her job. And, 3) a succession of steady boyfriends lived with her and helped pay many of her bills.

Most mothers told the interviewers that they entered the labor market with high hopes. They believed in the American Dream: if they could manage to stay at one job long enough, or use each job as a step up to a better one, they could make ends meet through work – even save money to move into a house in a safe neighborhood. After a few years in the low-wage sector, they learned that instead of reaching their goals, they were moving further and further behind in their bills. It did not take long for mothers to conclude that the American Dream they thought they would live by choosing work over welfare was becoming a nightmare.

Edin and Lein offer this conclusion: "States who want to meet the twin goals of getting welfare mothers to work while safe-guarding the well being of children must understand that the **real problem with the federal welfare system is primarily a labor market problem**. For the large majority of mothers we interviewed, it was lack of access to a living wage, not a pervasive poverty culture, which made working so difficult. Unless states manage to provide low-income single mothers with the skills that will lead to **living wage** jobs, single mothers who work will continue to need government help" – or fall deeper into poverty. (p. 19).

Information from: Edin, K. & Lein, L. (1997). *Making ends meet: How single mothers survive welfare and low-wage work*. New York: Russell Sage Foundation.

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History of Poverty in the United States, Part II

"History keeps her secrets longer than most of us. But she has one secret that I will reveal to you tonight in the greatest confidence. Sometimes there are no winners at all. And, sometimes nobody needs to lose." John Le Carré

The last issue presented a brief history of welfare and poverty in the United States through the time of the poorhouse. The poorhouse was a substitute for "outdoor relief" -- assistance provided to those in poverty in their homes.

The Progressive Era (1896-1914)

By the late 19th century, public officials and private reformers transformed the face of assistance to the poor. Outdoor relief was reduced dramatically, state authority expanded and children of the poor were often placed in orphanages or in foster care. Asylums took the mentally ill out of poorhouses. Within less than two decades, most public officials and social work professionals agreed that breaking up poor families by placing children in orphanages, and poorhouses had failed at ending poverty. In the 1890's, Progressive Era reformers had their turn.

The Progressive Era was a time of change in the way social workers, the government, and industry approached workers and the poor. Progressives held optimism that their policies could improve the lot of those in poverty. In fact, not only could poverty be eased, it could be prevented.

Progressives advocated the new sciences of human development that claimed the ability to change people. Although the Progressive movement sounds like a new approach, attitudes were not. Most attitudes continued 19th century ones that distinguished between the deserving and the undeserving poor. Attitudes reflected public philosophies about poverty and the poor. Some accepted the words of Jesus, "The poor ye have always with you." Cardinal Gibbons explained in 1891, "As well attempt to legislate vice out of existence as to legislate poverty and suffering out of the world...It is in accordance with the economy of Divine Providence that men should exist in unequal conditions in society." (Emphasis added.) Others defended the work ethic and sought policies they felt would enhance the ethic in the poor. This included the idea of 'less eligibility' -- that life on relief must be less attractive than life when working. "If any would not

work, neither should he eat." (Katz, p. 14). Attitudes created the distinction between the deserving poor -- those in need through no fault of their own -- and the undeserving poor -- the lazy who would not work. The intention of Progressives was not to change economic circumstances, but to change the needy -- to take poverty out of the people. (Katz, p. 14)

Women and children were more likely considered the "worthy" poor and the most likely to receive the direct benefits of assistance programs. Policy designers saw women and children as more vulnerable than men to the conditions of poverty, and therefore *generally* more deserving of help. Nineteenth and early 20th century social reformers were concerned about the rising number of children in orphanages. At the same time, delinquency rates were high and growing among children left at home while mothers worked. Along with easing concerns about children left unattended, cash welfare payments also kept single mothers out of the labor force. In the late 1800s and early 1900s, more than five million women worked for wages outside the home. Reformers maintained that these women were taking jobs from men. They argued that the future of our nation depended on the "proper upbringing of children by their mothers at home." (Seccombe, 2007).

Progressive Era reformers urged that the government expand its role in "family preservation." In 1909, the preservation of families was the first recommendation of the White House Conference on Children. However, if children were to remain with their parents, then someone would have to support poor families.

The solution to this dilemma was "Mother's Pensions." Considered the first cash welfare program, Mother's Pensions are significant because they began the trend of increasing government responsibility for the well-being of poor women and children -- particularly widowed, Caucasian women. Developers thought that designing the program as a payment for the services of motherhood would remove the stigma associated with other types of public aid. By the 1930s, every state except Georgia and South Carolina had a version of Mothers' Pensions. Pensions went to widows as divorced and unwed women were not eligible. The amount of money was small and inadequate to support a family. The pensions demanded strict behavior standards, long residence, usually American citizenship, and proof of "utter destitution." (Katz, p. 133.)

Keeping women out of the labor market was also important to the economy of the time as a glut of workers left many men without jobs for much of the year. Manufacturing employed three times as many people in 1920 as it had in 1880. Output increased even more than employment as electric power drove faster, more improved and efficient machines that revolutionized the manufacturing process.

Businesses counted on the labor reserve to keep a steady supply of willing workers at their gates. Employees suffered more from the inability to count on steady work than from low wages. The average daily or weekly wage in an industry did not provide an accurate indication of the average annual earnings of most workers. Labor turnover was staggering: 100% a year in large companies. Often desperate for work, people traveled thousands of miles on the rumor of available jobs. Others, especially with families, remained place bound, relying on the earnings of wives and children.

According to Katz, business owners considered labor (people) as a raw material. Businesses also failed to minimize fluctuations in labor demand by planning production throughout the year. Instead, they produced products as rapidly as possible, then fired workers and shut down plants until demand caught up with the supply. They then hired new workers and the process repeated itself. In doing so, American business alienated its workforce. (Katz, p. 192.)

As large numbers of workers joined unions, militancy developed between employees and management. With the help of police, state militias, and the National Guard, business crushed strikes – and attempted to end unionization. The use of federal troops in the railroad strike of 1877, the hanging of a labor leader – Joe Hill – in 1916, and the demise of the Industrial Workers of the World (IWW) are examples of unions losing in their confrontations with big business. Eventually, however, stronger unions forced American businesses to reorganize. Businesses introduced policies meant to win worker loyalty, decrease turnover, and increase productivity. Their efforts were called “welfare capitalism”. Unable to solve all labor market problems alone, they joined with labor to support social insurance legislation including workman’s compensation, unemployment insurance, and pensions. These early attempts at

legislation lacked support from authorities, and conflicting interests destroyed the coalitions that supported them.

The major features of welfare capitalism that did succeed included safety programs, group insurance (life), and mutual aid associations. One out of five major businesses provided formal pension plans, stock purchase options, or savings and loan facilities. Plans never covered more than a minority of employees, even in large, wealthy firms. No company offered protection from unemployment (i.e., unemployment insurance.)

The performance of America capitalism in the 1920s (living conditions improved for nearly everyone), gave welfare capitalism some credibility. However, with the depression when even the most progressive employers laid off workers and cut back benefit programs, worker calm and loyalty created by the boom years crumbled and workers turned against employers. Despite their inability to win the undivided loyalty of workers, check the growth of the labor movement, survive the depression unscathed, or assure all workers decent, regular wages and safe working conditions, welfare capitalism remains an important event in employment history. Today, welfare capitalism is housed in human resource departments and is termed employee benefits.

The reformers of the Progressive Era based their work on what they considered to be the most reliable science of the day. One of their darker contributions that justified immigration restriction and the harsh treatment of paupers and other dependent people was the theory of eugenics. With a facade of scientific objectivity, eugenics supplied the basis for an ongoing distinction between the unworthy and the worthy poor and carried it into social policy. Eugenics offered an explanation for the intractable problem of pauperism, created new state institutions, and gave local welfare officials a scientific way to categorize the poor.

Eugenics, wrote Charles Davenport, one of its important advocates, “is the science of improvement of the human race by better breeding.” Sir Francis Galton (1822-1911) founded eugenics in late 19th century Britain when he applied Darwin’s theory of natural selection to people. Although Galton was interested in the genetics of the rich and well-born, American eugenicists, eager to show that mental illness and other defects could be traced to innate qualities, also applied his ideas to the poor.

At first, eugenics spread slowly because the theory's ideas about how traits of personality and character were transmitted remained unclear and difficult to explain. However, by the early 20th century, other theories and the rediscovery of Gregor Mendel's genetic principles improved eugenics' prospects. One result was fear. Eugenic reformers first emphasized institutions, where non-criminal *defectives* could be confined throughout their fertile years. In 1878, New York became the first state to create a school for feeble-minded girls; other states followed. In 1896, Connecticut became the first state to legislate against the marriage of defectives. Several states copied their example.

Sterilization seemed even easier and more reliable than placing people in institutions or preventing their marriage. However, until very late in the 19th century, castration for men and removal of the ovaries for women were the only methods of sterilization available, and both altered the body's endocrine balance – a procedure even eugenicists found too extreme. With the development of the vasectomy and the removal or severing of fallopian tubes, sterilization became easy and left fewer physical consequences. The new techniques freed more forceful campaigns for sterilization. Indiana passed the first sterilization law in 1907. In 1927, the U.S. Supreme Court upheld its constitutionality. Thirty-one states passed sterilization laws by 1931. Most laws were vague and often unusable. California led the nation in sterilizations with 6,255 between 1909 and 1929. In all, by 1931, 12,145 sterilizations had been recorded across the country. By 1958, the figure was 60,926. (Gould.)

In 1910, Charles Davenport, the country's leading eugenics promoter, persuaded Mrs. E. H. Harriman to underwrite a eugenics research lab at Cold Spring, Long Island. Eventually, she endowed the laboratory and transferred it to the Carnegie Corporation. The Cold Spring facility marked the "golden age" of eugenics. As a social movement eugenics involved some of America's best talent. Wisconsin economist Richard Ely and Charles Van Hise, president of Wisconsin State University, were advocates as was David Starr Jordan, founding president of Stanford University. Despite controversy over sterilization, eugenics found a place among the principal reforms of the progressive era for it seemed an effective way to use science to improve society. Eugenics had links with immigration restriction and mental testing. It justified the exclusion of new

immigrants from Southern and Eastern Europe, who eugenicists argued, carried defective genes. Its links with the mental testing movement were especially close as early intelligence testers thought that intelligence tests measured innate ability.

In New York State, in 1911, the State Board of Charities founded a Bureau of Analysis and Investigation to pursue eugenic research. In its initial report, the bureau defined its purpose:

To understand better the source of some of the evils which are disastrously affecting mental and moral qualities, and that their racial meaning may be made clear and proper methods suggested for improvement, it is essential that the data of human inheritance, embodied in the records of charitable and reformatory institutions, shall be analyzed, classified, and interpreted.

The bureau pointed to the large amount of money the state spent on its institutions for dependents. "There can be no doubt," the report stated, "that a large proportion of the money...is required for the maintenance of defective and hereditary paupers." The report continued, "The public welfare demands that degenerates shall be prevented from the reproduction of their kind." (From: State Board of Charities, Department of State and Alien Poor – the Bureau of Analysis and Investigation. *Eugenics and Social Welfare Bulletin I*. The Capitol, Albany, NY, 1911, p. 1-2.)

By 1918, Chester Lee Carlisle, M.D., Superintendent, Division of Mental Defect and Delinquency of the State Board of Charities, believed he had found the ancestry of dependency. In *Seeking the Ultimate Causes of Dependence*, the final chapter of a report, he wrote, "the story of the poor is best read in the annals of cases of mental defect, affective deviation and all the other psychopathic reactions of conduct...All such types constitute the sub-normals of the human race." In affluent times, even the defective "carried along on the general stream of community prosperity," become "self-supporting." However, when "the economic horizon" turned "less rosy, when the needs of necessitous times" demanded "the utmost functioning ability of adequately developed human individuals, just then" were "these sub-normals...unable to keep up the pace and...pushed out of the main stream of citizen activities" to "settle as social flotsam along the

shores of the back waters of our communities." The report conceded that environment had an impact on behavior. Although a "hygienic environment improved chances for survival" and determined an individual's "rise or fall in the sense of dependency, ultimately, success in the struggle to survive" was "determined by the individual's ability (or lack of ability) through psycho-somatic endowment to establish himself as an efficient economic unit." If he failed, he became a "potential or actual sociologic liability and his environment...a social nuisance." The report described in optimistic terms, the outcomes of diagnosis and treatment of dependent people, "dependent people, paupers would disappear...In the place of the almshouse" would "stand the community clinic, the hospitals adapted to care for every type of mental and physical defect or disorder and the vocational village for the socially handicapped....The patient would replace the pauper; and experts would assure accurate diagnosis, discriminating placing and scientifically supervised after care to help him at all times make adequate mental and physical adjustment to the world of reality, according to his innately defective, constitutionally crippled capacity whatever it may be." Through the careful use of eugenic tactics – institutionalization, sterilization, and supervision – medicine and science would abolish pauperism and would reach the goals reformers had "struggled so hard and unsuccessfully for more than a century."

By the early 1930s, the racist nature of eugenic thought, the scientific 'flexibility' of its research, and the disappointing ability of its advocates to change policy combined to weaken its appeal. Its uses in Hitler's Germany dealt the movement a close to fatal blow.

The Great Depression

Between 1900 and 1929, the United States enjoyed unprecedented economic growth. Optimistic business leaders and social scientists thought the United States had entered a "new era." As Herbert Hoover said in 1928, "We shall soon, with the help of God, be in sight of the day when poverty will be banished in the nation." (Katz.)

Hoover was not completely wrong. The national income, in constant 1913 dollars, increased from \$24 billion in 1900 to \$37 billion in 1929. In the same period, per capita income, (in 1913 dollars), rose

from \$320 to \$473. After a dip in 1921, per capita income rose every year until 1929. Improved standards of living complemented these gains. Most Americans were better off in the 1920s than they had ever been. Even a working class family could afford a \$300 Model T Ford. Dramatic improvements in health care and improvements in nutrition helped increase life expectancy at birth from 47.3 years in 1900 to 59.7 in 1930. The unemployment rate in the year preceding the beginning of the Great Depression was 3%. The 1920s were, indeed, roaring! (Katz).

Like the dot com bubble of the 1990s, the "Roaring Twenties" came to an abrupt end. By 1931, the percentage and the number of unemployed nearly tripled – 14% of the workforce lacked jobs. By late 1932, 25% workers lacked employment. In Chicago, half of all workers were unemployed. National income declined sharply. Total income was \$87.4 billion in 1929, \$75 billion in 1930, \$58.9 billion in 1931, \$41.7 billion in 1932, and \$39.7 billion in 1933 – less than half of what it had been 4 years earlier. Farmers and agricultural workers – 30% of the workforce – were especially hard hit.

The local system of assistance for the poor was in serious trouble. In 1932, three fourths of those eligible for assistance could not get it. Those who did get assistance received meager supplies of food, a little cash and sometimes fuel. Local charities – overwhelmed with the demand – could do little to fill the gap. Suicide rates increased. In 1932, the national rate was 17.4 suicides per 100,000 people; an increase of 24% from 1929.

Newspapers provided dramatic accounts of the dilemma of the poor – and the poor included just about everyone. One observer in Chicago wrote, "One vivid, gruesome moment of those dark days we shall never forget. We saw a crowd of fifty men fighting over a barrel of garbage which had been set outside the back door of a restaurant. American citizens fighting for scraps of food like animals."

Newspaper articles in Chicago (as quoted in Katz) said of the garbage dumps:

About 25 men and boys and one woman stood in two rows all day, all the way down to the garbage hill waiting for that load to come down. And then, like a flock of chickens, they started to scratch in that smelly pile, and pick out certain things, which they deposited in baskets they had with them. Apples seemed most popular even when half rotten away. Carrots, potatoes, and bread also found their way into the baskets....Some claimed they were tak-

ing the stuff for rabbits and chickens, but I noticed that a pile of lettuce and spinach leaves, which would have been ideal feed, were left untouched. Most of them admitted that it was for their supper.

By 1931, adults and children were digging in St. Louis and New York garbage dumps. Orderly lines formed at some dumps as people waited their turn to hunt for food; elsewhere they rushed to each new pile of refuse. In Harlan County, Kentucky, families lived off of dandelions and blackberries.

This was the situation when Franklin Roosevelt assumed the presidency and told the nation: "Let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance." (Sunstein, p. 37.)

Next Issue: The Beginning of Federal Involvement in Poverty Assistance and the War on Poverty.

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Quarterly Quotes

Our future may lie beyond our vision, but it is not completely beyond our control. It is the shaping impulse of America that neither fate nor nature nor the irresistible tides of history, but the work of our own hands, matched to reason and principle, that will determine our destiny. There is pride in that, even arrogance, but there is also experience and truth. In any event, it is the only way we can live. (Robert F. Kennedy, 1966.)

It is at our mother's knee that we acquire our noblest and truest and highest ideals, but there is seldom any money in them. Mark Twain.

Independence? That's middle class blasphemy. We are all dependent on one another, every soul of us on earth. George Bernard Shaw in *Pygmalion* 1912.

There are four basic food groups, milk chocolate, dark chocolate, white chocolate, and chocolate truffles. Anonymous.

It is inhumane, in my opinion, to force people who have a genuine medical need for coffee to wait in line behind people who apparently view it as a recreational activity. Dave Barry.



The Relationship Between Housing Costs and Wages

The chart below represents the hourly wage needed to afford monthly rents. Most economists relate that a family should spend 35% of their monthly income on housing. In reality, many low-income families pay up to 50% for housing. In column 5, find the dollar amount closest to what your rent or house payment is now in the 35% row only. What hourly wage would you need to earn to afford that rent?

Hourly Wage	Hours Worked Per Month	Monthly Income	% Income for Rent	Rent	\$ for other expenses	Additional \$ available at 35%
\$6.00	173	1038	35%	363	675	156
	173	1038	50%	519	519	
\$7.00	173	1211	35%	424	787	181
	173	1211	50%	606	606	
\$8.00	173	1384	35%	484	900	208
	173	1384	50%	692	692	
\$9.00	173	1557	35%	545	1012	233
	173	1557	50%	779	779	
\$10.00	173	1730	35%	606	1125	260
	173	1730	50%	865	865	
\$11.00	173	1903	35%	666	1237	285
	173	1903	50%	952	952	
\$12.00	173	2076	35%	727	1349	311
	173	2076	50%	1038	1038	

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