

# Pathways

*a magazine on poverty, inequality, and social policy*

Fall 2012

## A SOCIAL FALLOUT TO THE GREAT RECESSION?

### Also in this Issue:

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Arne Kalleberg on a  
new era of bad jobs

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William Julius Wilson  
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debate the future of  
American schools



# Pathways

*a magazine on poverty, inequality, and social policy*

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## Editors' Note

**The Great Recession**, now widely acknowledged as the worst postwar recession in U.S. history, has been tagged as “great” in part because its effects on the labor market have been broad, deep, and long lasting. Nearly five years after the recession's official start, the unemployment rate still stands at 7.9 percent (for October 2012), and the official poverty rate at 15.0 percent (for 2011). The future of the economy and labor market remain, of course, less clear than we'd like. Time and again, we've found ourselves breathing a sigh of relief and thinking the worst is behind us, only to wake up to a new crisis and a new round of pessimism and anxiety.

But what about the *social* effects of the recession? Have these been just as profound? Have crime rates shot up, immigration and fertility rates plummeted, and health outcomes worsened?

It's easy enough to weave compelling and even alarmist stories about such effects (and, indeed, many have). For some types of social behaviors, the recession may be consequential simply because it changes the costs and benefits associated with those behaviors. In explaining, for example, the falloff in immigration to the United States, it's obviously relevant that the incentives to come to the United States are lessened when employment opportunities in immigrant-intensive sectors (e.g., construction) are reduced. The same type of shifts in the underlying cost-benefit calculus may obtain for other population groups: The downturn may make children and other “durables” less affordable, burglaries and other types of crime more attractive, and shared living quarters more necessary.

The four cover stories in our fall issue reveal that some of these individual-level effects are in evidence. Although the effects prove to be sizable in some domains, they're rather weak in others. There clearly hasn't yet been any cataclysmic fallout. The Great Depression was, by contrast, a period of more fundamental change because it ushered in the New Deal and altered the very institutions within which individuals make their cost-benefit calculations.

We can't rule out the possibility of Roosevelt-style reform in the future. If the current halting recovery is delayed or undermined, then support for such reform might ultimately surface, and more fundamental institutional change could again be in store. This isn't an entirely implausible scenario: indeed, were the 2014 midterm elections to restore Democratic control of the House, one could imagine President Obama establishing a Roosevelt-caliber legacy via just such reform. The comparatively small effects that have so far been observed may, in this sense, be understood as the natural consequence of superimposing a recession, even a major one, on a static constellation of labor market institutions.

The current issue of *Pathways Magazine* is but an opening effort, then, in tracking the effects of the recession, an effort that we think is appropriately timed with the five-year anniversary of the start of the Great Recession. In collaboration with the Russell Sage Foundation, the Center on Poverty and Inequality will be continuing to monitor these effects through a new website, [www.recessiontrends.org](http://www.recessiontrends.org), that provides ongoing expert commentary on the effects of the downturn, as well as a new graphing utility that brings together hundreds of time series and allows visitors to create customized graphs, impose key sample restrictions, and export the resulting graphs and data. Please check it out!

—David Grusky, Michelle Poulin, & Christopher Wimer, Senior Editors



# The Social Contract in an Era of Precarious

# WORK

BY ARNE L. KALLEBERG

**E**mployment relations have become more precarious—more uncertain, insecure, and risky—in all industrial societies over the past quarter century. In the United States, the anxiety and inequality accompanying the expansion of precarious employment has not only affected how work is experienced, but also how families and communities bear risks and how firms and society conduct business. Uncertainty, insecurity, and risk are pervasive throughout the labor market and have affected both younger and older workers alike.

Precarious work is not new; it has existed since the beginning of paid employment. But globalization, technological change, re-regulation of labor markets, and the removal of institutional protections have shifted the balance of power away from workers and toward employers and made precarious work increasingly common across the globe. These shifts in power relations are structural transformations in labor markets, not temporary fluctuations in supply and demand associated with the swings of business cycles.

The growth in precarious employment has occurred just as we've abandoned the implicit social contract that once bound together government, business, and labor in the United States

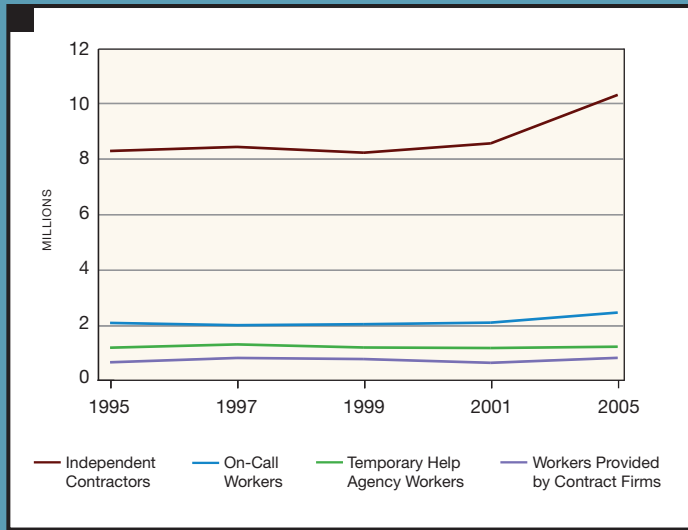
in the decades following World War II. The metaphor of a social contract has its roots in the philosophies of Hobbes, Locke, Rousseau, and Rawls. It refers to the mutual expectations and responsibilities that society and individuals have toward each other. Explicit and implicit social contracts in the post-WWII period emphasized collective solutions to solving social problems, as well as long-term and fairly stable relations between employers and their employees. Unfortunately, government and business have deserted their obligations to their workers and communities over the past several decades, and people are now told that they are “on their own” to address their concerns. We need a new social contract that will provide social insurance and security to individuals. What we need, in short, is to once again spread the risk around.

### The Growth of Precarious Work

A variety of data can be marshaled to document the growth of precarious work. Taken as a whole, these data strongly support the conclusion that there has been a transformation of employment relations toward greater uncertainty and instability in the United States since the 1970s.

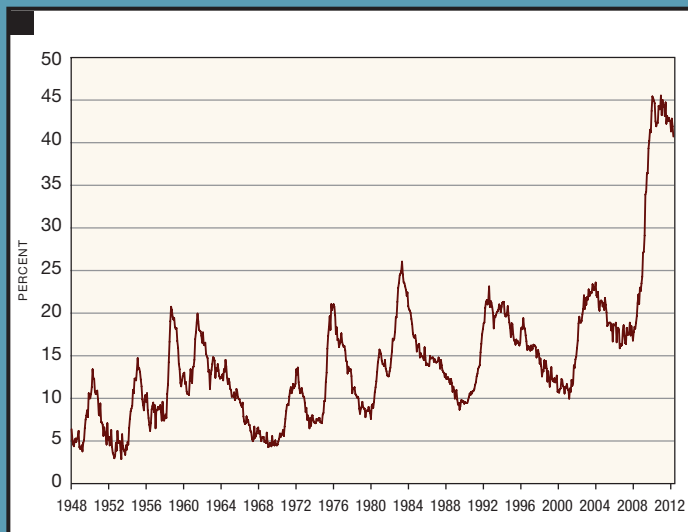
First, there has been an expansion and institutionalization

FIGURE 1. Workers with nonstandard employment relations, 1995–2005 (ages 16 and over, in millions)



Source: Bureau of Labor Statistics, "Contingent and Alternative Employment Arrangements" press releases, 1995–2005.

FIGURE 2. The share of the unemployed who have been jobless for six months or more, 1948–2012



Source: Economic Policy Institute.

of nonstandard employment relations, such as independent contracting and temporary work. These forms of nonstandard work have spread throughout the labor force in both high- and low-skill jobs. Figure 1 shows the trends in four types of nonstandard employment relations from 1995 to 2005. The rise was greatest for independent contractors; the main increases in the others occurred before 1995, when data on nonstandard employment relations began to be collected systematically.

Second, there has also been a general decline in job stability, with substantial reductions in the average length of time a person

spends with his or her employer. This trend has been experienced mainly by men; the percentage of women with ten or more years of employer tenure increased from about 25 percent in 1983 to about 29 percent in 2004, while the corresponding percentages for men decreased from about 38 percent to about 32 percent.

Third, the decline in employment tenure occurred just as internal labor markets weakened, as reflected in the increasing tendency for employers to hire workers from outside the organization rather than to develop the human capital of their employees internally. There has been a dramatic increase since the 1950s, for instance, in the proportion of managers hired from the external market rather than being promoted from within the organization. Because workers cannot as easily climb the ladder within their firms, they are likely to feel more precarious and insecure than in days past.

Fourth, trends in involuntary job loss suggest that job stability and security have declined since the 1970s, especially for prime-age males and those in white-collar occupations. The proportion of males aged 35 to 54 who were permanently displaced from their jobs almost doubled between the 1970s and 1990s.

Fifth, the foregoing trends explain, in part, the steady upward march in long-term unemployment since the 1960s. Figure 2 illustrates the growth in the percent of unemployed persons who have been out of work for 6 months or more. This percentage has spiked dramatically since the Great Recession of the late 2000s. But even aside from this spike, the long-term secular trend has been upward.

Sixth, we have also seen a shifting of risk from employers to employees, especially in relation to the employment-related benefits that workers have historically counted upon. For example, Figure 3 shows the increase in defined contribution pension plans (in which employees absorb more of the risk than employers) and the decline in defined benefit plans (in which the employer absorbs more of the risk by guaranteeing a certain level of benefits). Other types of employer-provided benefits have also shifted away from providing adequate security for American workers.

Finally, a rising percentage of Americans say that they are insecure in their jobs. Figure 4 shows the increasing trend in the percentage of people responding that they both think it is very or fairly likely that they will lose their current job within the next year and think that it would not be at all easy to find another comparable job. Since this rise takes into account changes during this period in the business cycle and underlying demographics, it is consistent with the explanation that there has been a sea change in employment relations in the United States toward more precarious employment. Figure 4 also shows that workers want more job security even as the opportunity for such security is much reduced. Work has not only become more precarious, but workers are feeling the change and concerned with it.

### A New Social Contract

The question, then, is how do we as a society respond? A simple answer: A new social contract is needed to tackle the conse-

quences of this growth in precarious work. The contract must be sensitive to the conditions that led to the transformation of employment relations in the first place. Labor, product, and capital markets are now global phenomena, and they interact jointly to intensify price competition. The rapidity of technological innovation both forces companies to become more competitive globally and makes it relatively easy to move goods, capital, and people within and across borders at an ever-accelerating pace. Outsourcing and temporary work are increasingly available options for reducing costs. Neo-liberal ideologies and policies have encouraged a limited welfare state, weakening of unions, lowering of taxes and fees on businesses, and fiscal discipline taking precedence over social protections.

All countries are faced with the core problem of balancing flexibility for employers and security for workers. But countries have sought to solve this dilemma in different ways depending on their institutional and cultural traditions. Flexicurity models—originating in Europe and now spreading to Asia and elsewhere and which involve both employers and workers in a cooperative effort—suggest that labor market institutions matter a good deal. Some countries have developed institutions that equip them, more so than other countries, to address the challenges and consequences posed by the global division of labor and the tendencies toward precarious work. These countries are well positioned to exploit the labor market challenges that arise in a global market.

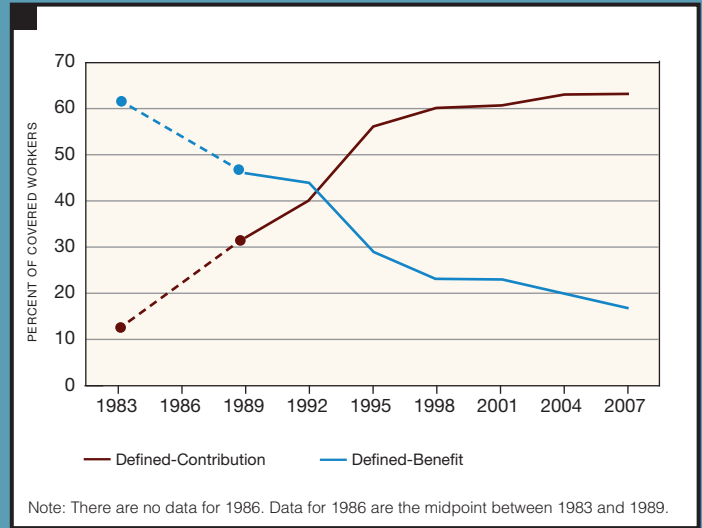
Flexicurity is win-win because it allows employers and labor markets to have greater flexibility even as workers are allowed greater protections. Flexicurity principles, however, need to be tailored to their context. The main contextual constraint in the United States is that employers already have considerable flexibility in their relations with employees. It's accordingly a non-starter in the American context to suggest flexibility-reducing innovations. The major challenge, then, in adopting flexicurity with an American face is to provide workers with security in dealing with the changes that have occurred in labor markets and employment relations without jeopardizing the already considerable flexibility upon which U.S. firms count.

This challenge can be met. The following are the three main features of a comprehensive new social contract that meets the challenge.

*Economic Security:* People must be assured an adequate level of current and future income if they are to be induced to make investments and assume risks. Consistent with the practice in many developed industrial countries, the highest priority should be given to providing three types of social insurance: portable health insurance benefits; more generous and secure retirement benefits; and expanded unemployment benefits and other wage supports (including assistance with acquiring new skills and relocation). These types of insurance help people navigate the increasingly treacherous transitions between jobs and employers and, just as importantly, they give them the confidence to assume risks in investing in human capital or exploiting entrepreneurial opportunities.

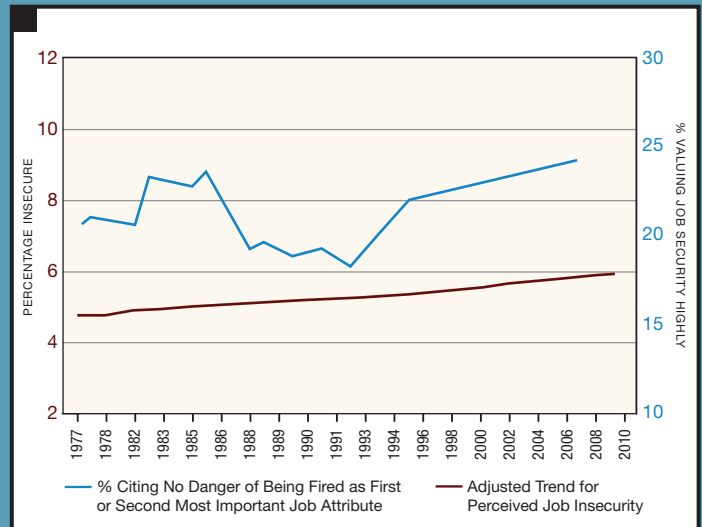
*Representation Security:* The often-unappreciated virtue of

FIGURE 3. Trends in defined contribution vs. defined benefit pension plans, 1983–2007



Source: <http://stateofworkingamerica.org/charts/workers-with-pension-coverage-by-type-of-plan-1983-2007>.

FIGURE 4. Trends in perceived job insecurity, 1977–2012 (trend adjusted for unemployment rate and labor force characteristics) and in the extent to which workers value security as highly important



Source: General Social Surveys, 1977–2010.

allowing for some form of collective representation among workers is that it forces employers to adopt long-term rational strategies. Put simply, employers are more likely to adopt high-road strategies if prodded by strong unions or other forms of worker organization that encourage collaborative efforts between managers and workers and make it costly to abuse or exploit workers. The new forms of organization won't simply be replicates of traditional industrial unions in the United States. These unions engaged in collective bargaining with employers (either single employers or coordinated groups), and the main

focus was on bread and butter issues such as earnings and job security. The growth of precarious employment relations has reduced workers' attachments to their employers and increased the salience of labor market intermediaries that help to create channels for mobility between firms. It's not just a matter, then, of ramping up conventional unions. The new generation of worker organizations must adapt to and match up with changes in the structure of the economy and the organization of work.

*Skill Reproduction Security:* A new social contract must also help workers and employers cope with the likelihood that all workers will have to move among jobs relatively frequently. People need access to basic education and vocational training, thereby helping to retrain and prepare them for good jobs. The importance of education and job-related training cannot be over-emphasized. The explosive growth of information technology and the escalating importance of knowledge in the economy have underscored the significance of skills and education for obtaining and performing well in high-quality jobs and for avoiding confinement to bad jobs. Life-long learning is becoming more essential than ever, due to the need for people to adjust to the technological changes that help to create job insecurity and uncertainty. Capitalizing on the skills and knowledge of American workers also enhances the competitiveness of American firms, which cannot compete with developing countries on the basis of low labor costs.

Enhancing economic security, representation security, and skill reproduction security will result in the creation of better jobs. Employers will be encouraged to adopt "high road" employment systems and be incentivized to create more skilled jobs to take advantage of a higher-skilled workforce. More economic security is also likely to spur entrepreneurial activity and make people more willing to invest in their human capital. Greater representational security will help to redress the balance of power between employers and labor and also spur the creation of good jobs.

Moreover, these three types of security are likely to facilitate the acquisition of other forms of security. Workers with representational security are more likely to enjoy greater occupational health and safety. And workers with greater economic and skill security should be better able to get new jobs and be retrained should they lose their jobs or if the labor market does not provide sufficient job opportunities.

### Implementing the New Social Contract

A common refrain in these difficult economic times is that there aren't any new ideas about fixing the economy. That's not true. Although flexicurity is hardly a new idea outside the United States, it is new to the U.S. context and, contrary to conventional wisdom, it should have a special resonance in the United States precisely because it allows us to build on our strong commitment to maintaining employer flexibility.

This isn't to suggest that a flexicurity program will be easy to implement. If we're serious about putting the model into practice—and we should be—it will require a complicated dance

among government, business, and labor. Mobilizing these three partners is difficult. There are numerous obstacles produced by (a) ideological disagreements about the appropriate role of the government in the economy and labor markets, (b) a lack of trust in the government and institutions in general, (c) the current weakness of the labor movement, which prevents workers from exercising voice and labor from being a countervailing force, (d) businesses seeking to cut costs and lobbyists trying to obtain favorable regulations for their clients, and (e) the economic challenges imposed by concerns over budget deficits, slow growth, and stubbornly high unemployment.

Nevertheless, a combination of strategies that emanate from the "top" as well as the "bottom" is likely to be most effective, with bottom-up solutions perhaps especially attractive in the short-run given the current political deadlock. Although some top-down interventions will ultimately be needed to create the requisite legislative and regulatory environment, there's much that can be done even now at a more local level. The Hosiery Technology Center in North Carolina illustrates, for example, a cooperative training and retraining initiative among employers' groups, local governments, and community colleges. There are likewise important collaborative efforts in North Carolina and in other states between community colleges and firms in the biotechnology industry to train (and retrain) workers for new jobs.

It's also possible to develop at least some flexicurity-flavored features in a gradual fashion by building on existing institutions or laws. By taking small steps, we can avoid direct confrontation with entrenched interests and help to circumvent political blockages. A version of this strategy was used recently in New Jersey, where paid family leave was added to an existing law (the Temporary Disability Benefits law). Another promising application of this strategy builds on the Trade Adjustment Assistance (TAA) legislation to facilitate the transition of displaced workers to new jobs. The TAA originated in the early 1960s and was designed to protect workers in manufacturing industries from job displacement produced by import competition. The transition mechanism within TAA could be replicated and expanded beyond manufacturing into service industries and extended to cover reasons for job displacement in addition to import competition.

It's possible, then, that we'll drift slowly and gradually to a flexicurity-flavored labor market, not because a grand political consensus is forged, not because there's some overriding public outcry for it, but simply because it works well for all involved. Although it's perhaps unlikely that an overt flexicurity movement will develop in the near term, the smart money will be carefully watching these local experiments in flexicurity and tracking their spread. If it does become a fad and even a movement in the long run, its simple mantra will be that reforms taking on precarious work are not just good for U.S. workers, but also for U.S. competitiveness and profits.

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## The Returns to Relentless Effort

**T**here is no shortage of claims about how best to improve schools serving disadvantaged students. It's conventionally argued that reducing class size, increasing per-pupil spending, and ramping up the share of teachers with advanced degrees will deliver better outcomes. Does this traditional account stand up when one carefully explores the everyday inner workings of schools?

A new study of 35 New York charter schools by Will Dobbie and Roland G. Fryer, Jr. suggests that it doesn't. Taking advantage of the lotteries used to allocate students to these schools, and drawing on in-depth interviews, surveys, lesson plans, and videotaped classroom observations, Dobbie and Fryer were able to estimate the causal effects of each year of school attendance on children's achievement. These estimates took the usual suspect variables into account (class size, levels of teacher certification, and per-pupil expenditures) but found that they simply weren't driving achievement.

**What was?** Five factors stood out: frequent teacher feedback, the use of data to guide instruction, high-dosage tutoring, increased instructional time, and high expectations. According to Dobbie and Fryer, the results validate what 40 years of qualitative educational research has suggested: That focused, intentional, and relentless effort on the part of educators can improve the academic prospects of low-income children.

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Will Dobbie and Roland G. Fryer, Jr. 2011. "Getting Beneath the Veil of Effective Schools: Evidence from New York City." *NBER Working Paper No. 17632*. For more details, see <http://www.nber.org/digest/mar12/w17632.html>.

## Fade to Black

**T**he famous *Brown v. Board of Education* court decision provided the legal foundation for ending racial segregation in U.S. public schools. Although school desegregation did decline substantially since that 1954 decision, recent changes in the law have released many school districts from court-ordered desegregation plans. Have past gains in racial and ethnic school integration remained intact despite such legal changes? Or are schools now drifting back to a more segregated regime?

In new research by Sean F. Reardon, Elena Tej Grewal, Demetra Kalogrides, and Erica Greenberg, the main story is one of a drift back to a more segregated past. Examining 450 large school districts between the early 1990s and today, Reardon and his colleagues uncovered significant increases in White-Black segregation within districts that were released from their plans, as compared to those that remained under court-ordered desegregation plans. This backward drift was especially prominent in Southern school districts.

These results reveal the powerful pro-segregation forces that remain at work even now. The new segregation levels may pale in comparison to what prevailed prior to the *Brown* decision, but it's nonetheless clear that, absent continuing court oversight, the impulse toward segregation remains dominant.

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Sean F. Reardon, Elena Tej Grewal, Demetra Kalogrides, and Erica Greenberg. Forthcoming. "Brown Fades: The End of Court-Ordered School Desegregation and the Resegregation of American Public Schools." *Journal of Policy Analysis and Management*. For more details, see <http://dx.doi.org/10.1002/pam.21649>.

## Holes in the Social Safety Net

**T**he Unemployment Insurance (UI) system, which provides assistance to workers who have lost their jobs, has been critical in reducing hardship in the recent recession and in the subsequent slow recovery. Given that Black and Latino workers have been hit especially hard by the downturn, it's important to assess whether the UI system is working well for them. Are Blacks and Latinos receiving unemployment benefits at the rate one would expect?

Apparently not. According to a new report from the Urban Institute's Austin Nichols and Margaret Simms, unemployed Black workers have the lowest receipt of UI among all racial and ethnic groups. In 2010, only 23.8 percent of Black unemployed workers received UI, as compared to 33.2 percent of White unemployed workers. The corresponding percentage of Latinos is 29.2 percent.

**What accounts for these differences in UI receipt?** To some extent, they arise from variations in eligibility; indeed, Black workers often have employment histories that make it more

difficult to establish UI eligibility. But Nichols and Simms find that differences in UI receipt persist even after accounting for education, past employment history, and reasons for unemployment. It follows that eligibility alone is not the full story. While Blacks may be less likely than Whites to apply for benefits, another possibility is that employers are more likely to contest claims made by Black workers.

The upshot is that we don't yet know why the difference obtains. However, whatever the sources may be, we do know that the safety net isn't fully delivering for unemployed Blacks and that they're likely experiencing economic hardship as a result.

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Austin Nichols and Margaret Simms. 2012. "Racial and Ethnic Differences in Receipt of Unemployment Insurance Benefits during the Great Recession." Washington, D.C.: The Urban Institute. For more details, see <http://www.urban.org/UploadedPDF/412596-Racial-and-Ethnic-Differences-in-Receipt-of-Unemployment-Insurance-Benefits-During-the-Great-Recession.pdf>.

## Bankruptcy Scars

When debt becomes overwhelming, personal bankruptcy is an option that some debtors may take to “clear the decks.” It’s well known, however, that exercising this option comes with a real price in the form of reduced access to future low-cost loans for buying education, homes, cars, and more. Although this effect on access to future credit is widely appreciated, we don’t know whether bankruptcy also scars people in other domains, such as the labor market.

Using long-term data from the National Longitudinal Survey of Youth, Michelle Maroto finds that the scarring effects of bankruptcy do indeed cross over to the labor market, bringing about further penalties in the form of reduced hours and lower wages (following the bankruptcy). These penalties obtain even in the presence of controls for prior employment history and other variables that distinguish those who declare bankruptcy and could, as a result, create the false appearance of a crossover bankruptcy effect. Although one can never rule out an omitted variable account, the negative effect on hours and wages persisted in Maroto’s analyses despite the application of all plausible controls.

Why might there be such cross-domain scarring? The causal mechanism is in fact quite clear: Because employers are often allowed to check credit reports during the hiring process, a past bankruptcy may be discovered and then color the employment decision. If this hypothesis is accurate, it suggests that Maroto’s cross-domain effect may indeed be causal.

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Michelle Maroto. 2012. “The Scarring Effects of Bankruptcy: Cumulative Disadvantage Across Credit and Labor Markets.” *Social Forces*, 91(1), 99–130.

## Is Eviction the New Incarceration?

It’s well known that residents of poor neighborhoods experience especially high rates of residential mobility. It might be supposed that such instability arises mainly from evictions; when tenants are evicted, they are of course forced to move, contributing to higher residential instability. But just how prevalent is eviction in poor neighborhoods? Who is likely to experience eviction? And does eviction lead to homelessness, relocation to worse neighborhoods, and a general downward spiral?

Using a mixed-methods study of administrative, survey, and ethnographic data in Milwaukee, Matthew Desmond provides new and important answers to these questions. First, Desmond finds that evictions are quite prevalent in Milwaukee, with 7.2 percent of those renting in high-poverty neighborhoods experiencing an eviction in a given year. Second, evictions were more common in minority neighborhoods, especially Black neighborhoods. Third, whereas women and men were evicted at roughly equal rates in White

neighborhoods, Desmond’s research shows that women were disproportionately likely to be evicted in Black and Hispanic areas. The eviction rate of female renters from Black neighborhoods was approximately 1.9 times that of male renters from those neighborhoods.

In his ethnographic analysis, Desmond finds that eviction leads to a downward spiral for poor Black women, just as incarceration does for poor Black men. The twofold cost of eviction is that (a) landlords typically will not rent to those with an eviction record, and (b) evicted tenants often have to pay storage fees for their belongings (fees that, when unpaid, ultimately lead to confiscation). As a result, evicted tenants fall to the bottom of the rental market, ending up in run-down properties and dangerous neighborhoods. These results suggest that eviction is a “poverty trigger” for Black women much as incarceration is for Black men.

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Matthew Desmond. 2012. “Eviction and the Reproduction of Urban Poverty.” *American Journal of Sociology*, 118(5), 88–133.

## The Long Shadow of the Great Recession

**Although it’s rarely good to lose a job, there may be times when the costs of losing a job are at least a bit smaller. Is it better, for example, to lose a job during a time of mass layoffs and a widespread acceptance of structural accounts of unemployment? Or is it better to lose a job when the economy is doing well and jobs are plentiful?**

In a new analysis of long-term earnings, Steven J. Davis and Till M. von Wachter have shown that timing does matter; indeed it matters as much *when* a job loss occurs as whether there’s a job loss at all. Using Social Security records of worker earnings from 1974–2008, the authors show that displacement is less costly when it occurs during periods of low unemployment. When unemployment is below 6 percent, displaced men lose only 1.4 years of pre-displacement earnings over the course of the next 20 years. However, when the same job loss occurs in an economic downturn (i.e., unemployment above 8 percent), the displaced worker loses some 2.8 years of pre-displacement earnings over the next 20 years.

**When it comes to losing a job, then, severe economic contractions like the Great Recession tend to impose roughly twice the earnings penalty on those affected. This result suggests that the Great Recession may turn out to have been an especially costly time to have lost a job.**

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Steven J. Davis and Till M. von Wachter. 2011. “Recessions and the Cost of Job Loss.” *NBER Working Paper* No. 17638. For more details, see <http://www.nber.org/digest/apr12/w17638.html>.





# The Great Decline in American Immigration?

BY DOUGLAS S. MASSEY

Immigration has been a major component of demographic change in the United States over the past several decades, constituting at least a third of U.S. population growth and up to half of labor force growth in any given year. By any standard, it is a central feature of the nation's political economy and thus especially important to monitor as the Great Recession plays out. This brief reviews levels and patterns of immigration to the United States over the past three decades, with a particular focus on their implications for the nation as it recovers from the worst economic downturn since the 1930s.

The prevailing account, insofar as there is one, has it that the influx of undocumented workers, especially from Mexico, has suddenly slowed as the demand for labor in the U.S. weakens. The purpose of this brief will be to elaborate and complicate that account in ways that bring it into closer correspondence with the key features of recent immigration. This revised account will emphasize not just changes in the number of undocumented workers but also related and coun-

travailing changes in other types of immigration. The analyses presented here will show that, even as the number of undocumented workers has leveled off, there are important and often unappreciated opposing trends in other types of immigration.

### The Big Picture

Let's begin with the big picture. Four separate streams presently contribute migrants to the U.S. population: legal permanent immigrants, refugees, temporary workers, and undocumented

migrants. Figure 1 presents official statistics on entries since 1980 in the first three of these four categories. The four vertical lines in figure 1 identify some of the most prominent immigrant-relevant events.

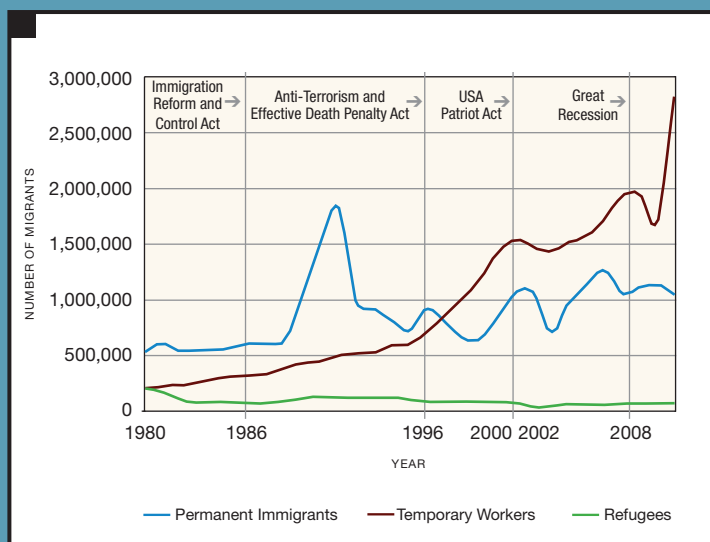
It is quickly apparent from figure 1 that refugee migration, though an important component in earlier years, is no longer a potent demographic force. In 1980 the flow of refugees from Indochina was still in progress, and 207,000 refugee entries were recorded in that year; but in the following year the number dropped to 159,000 and by 1986 it stood at only 62,000. Annual refugee entries have only averaged 54,000 over the past decade.

In contrast, legal permanent immigration has never fallen below 500,000 in the past three decades. As shown in figure 1, between 1988 and 1992 the nation experienced a massive surge in the number of green cards issued, with a peak of approximately 1.8 million issued in 1991. This upsurge did not stem from new entries, however, but from former undocumented migrants "adjusting status" after being legalized under the Immigration Reform and Control Act of 1986 (IRCA). After the legalization surge ended, legal permanent immigration never returned to the status quo ante because the millions of migrants recently legalized under IRCA immediately began sponsoring the entry of family members. As a result, in the years since 1992 the annual number of legal permanent immigrants has averaged 934,000.

Since the mid-1990s, legal permanent immigration has generally trended upward despite increasingly restrictive immigration policies in the United States. In addition, beginning with the 1996 Anti-Terrorism and Effective Death Penalty Act (ATEDA), Congress has enacted a series of increasingly harsh laws that have steadily stripped away rights, privileges, and legal protections for non-citizens. In response, hundreds of thousands of legal permanent residents have undertaken "defensive naturalization" to protect their interests. Once naturalized, they have taken advantage of the right of citizens to sponsor the entry of spouses, minor children, and parents without numerical restriction, yielding a rising trend in legal entry and notable surges in 1996, 2003, and 2006. Since the Great Recession, however, legal permanent immigration appears to have leveled off at a little over a million entries per year.

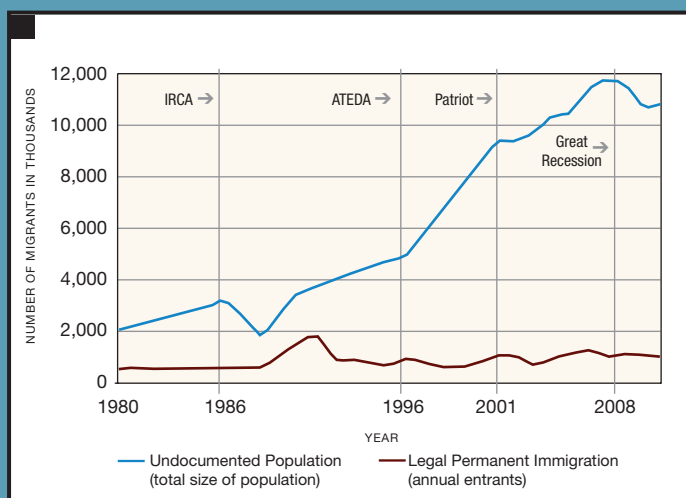
The foregoing effect of the Great Recession on legal permanent immigration is subtle relative to what's happened to legal temporary workers in the recession period. As figure 1 shows, by far the largest increase in documented migration to the United States has occurred among legal temporary workers, who increased from 193,000 entries in 1980 to a record 2.8 million in 2010. Whereas the increase was gradual through the mid-1990s, it accelerated markedly in the 1990s before stabilizing in the early 2000s and then surging again just before the Great Recession. Although temporary worker migration dipped in the wake of the economic downturn, it rebounded with a vengeance between 2009 and 2010, when the number of temporary worker entries rose from 1.7 to 2.8 million. In contrast to the stability observed for flows of refugees and legal permanent

FIGURE 1. Migration to the United States in three statuses



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

FIGURE 2. Growth of undocumented population compared with annual legal immigration



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.



immigrants since 2008, guest worker migration has exploded. This unprecedented explosion in the number of guest workers has not been well appreciated in the standard literature on the effects of the recession on the labor market.

It is more difficult to reliably measure undocumented migration on an annual basis. Over the years, however, demographers have developed new and accurate methods for estimating the total size of the undocumented population. The resulting series of estimates is presented in figure 2, with annual permanent entries shown for comparison. In this figure, the time series for undocumented immigrants pertains to the total population, whereas the times series for legal permanent immigrants pertains to the annual entrants. From 1980 through 1986, undocumented population growth was relatively modest, with an average net increase of just 184,000 per year. Between 1986 and 1988, however, IRCA's legalization reduced the size of the population from 3.2 million to around 2 million, as former undocumented migrants gained temporary legal status. As can be seen in the series on legal immigration, over the next four years these people then shifted to become permanent legal residents.

After the post-IRCA dip in the number of undocumented migrants, growth resumed at the same pace as before; but starting in the early 1990s a series of anti-immigrant operations and increasingly restrictive immigration legislation accelerated border enforcement and had the perverse effect of reducing out-migration rather than forestalling in-migration. Undocumented migrants took to minimizing the rising costs and risks of border crossing by staying put once they had made it into the United States, yielding a sharp increase in net migration.

How did the Great Recession change the dynamics of this process? We saw in figure 1 that the slowing effect of the Great Recession on legal immigration was subtle at best. Is a slowing any more prominent with the undocumented population? We do indeed see a rather sharp falloff in figure 2 (and bear in mind that this time series, unlike that of figure 1, pertains to the size of the population rather than the number of migrants). The population peaked in 2006 before declining in the wake of the Great Recession. The size of the undocumented population now appears to have stabilized at around 11 million persons, with a net inflow roughly at zero.

In sum, although permanent and undocumented migration rose in the years leading up to the Great Recession, only temporary labor migration rebounded and, indeed, accelerated after 2009. At present, permanent immigration is currently holding steady at around a million entries per year, refugee migration is just over 50,000 entries per year, and undocumented migration has effectively ceased. Only guest worker migration has risen substantially. The main conclusion, then, to this point is that the undocumented influx ended with the Great Recession, whereas the number of guest workers took off. Given that refugee migration is small and insignificant in the larger demographic scheme, the following sections focus on the other three flows, analyzing them in greater detail to trace out implications

for the future.

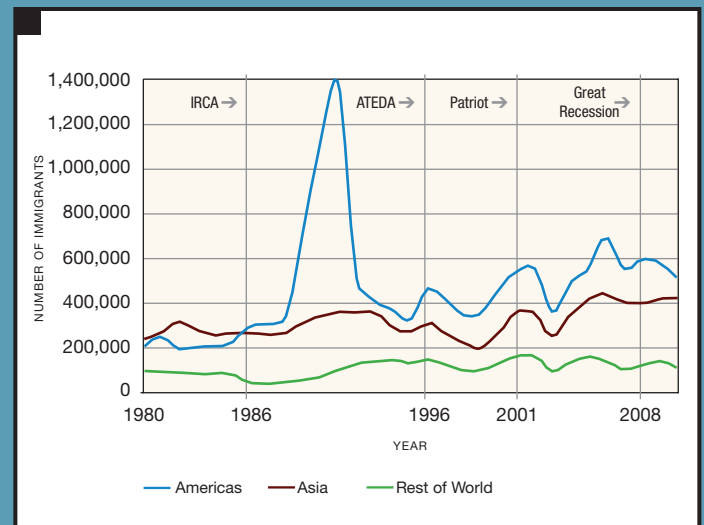
### Permanent Immigration

We first consider permanent immigration by region of origin since 1980. Although figure 1 established that there was a subtle falloff in permanent immigration with the Great Recession, we don't yet know whether that falloff was driven mainly by immigration from the Americas.

We see in figure 3 that it mainly was. By contrast, there was a slight uptick in permanent immigration from Asia, and a less substantial downturn in permanent immigration from the rest of the world. This figure also shows that immigration is still dominated by entries from Asia and the Americas. Whereas the volume of the two flows was similar until 1986, the surge in permanent immigration following IRCA's legalization was expressed more among immigrants from the Americas than from Asia. During the surge from 1986 to 1992, for example, immigration from the Americas averaged 692,000 per year compared with 300,000 from Asia and just 58,000 from the rest of the world. Since then immigration from the Americas has averaged 475,000 per year, compared with 331,000 per year from Asia and only 127,000 from the rest of the world. The recession-induced downturn in immigration from the Americas and the slight uptick in immigration from Asia has brought the two flows slightly closer to parity in the post-recession period.

Figure 4 shows trends by region within Latin America. Although Mexico is the most prominent source of the recession-induced downturn in Latin American permanent immigration, the same downturn is apparent in all Latin American regions save the Caribbean. The legal inflow is still, however, dominated by Mexico. Since 1986, some 5.3 million legal Mexican immigrants have become permanent residents of the United States,

FIGURE 3. Legal immigration by region of birth



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.



compared with 1.4 million Central Americans, 1.5 million South Americans, and 1.4 million Caribbeans.

### Temporary Worker Migration

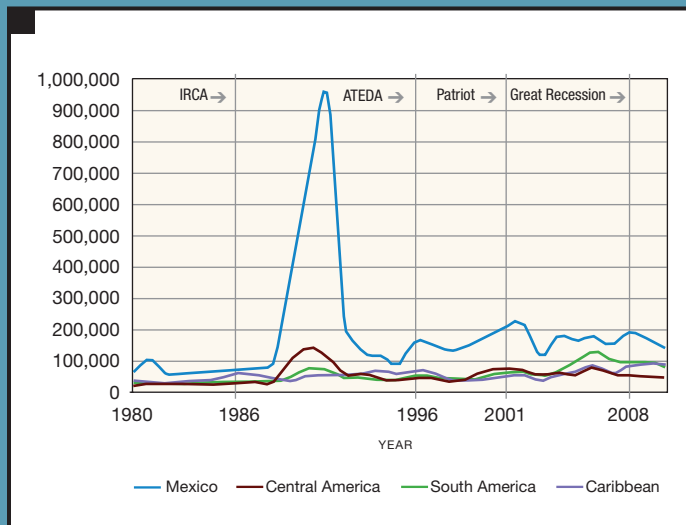
These recent declines in permanent immigration, although of interest, are swamped by countervailing increases in entries by legal temporary workers. Figure 5 shows trends in temporary legal migration by region. Given the way that statistics on temporary workers are tabulated, it is difficult to create a consistent series over time, so the data only begin in 2000. At this date,

guest worker migration was running at about 930,000 per year, with 301,000 from Europe, 269,000 from North America, 251,000 from Asia, and just 109,000 from the rest of the world.

The trend in guest worker migration was basically flat through 2004, and then jumped markedly. In 2005 Senator Barbara Mikulski inserted a provision into legislation that enabled employers to rehire, outside the usual limits, certain workers who had been employed in the United States during the three previous years. From the graphs it is obvious that Asians and North Americans especially benefitted from the new policy, but the Mikulski provision cannot explain the sharp increase in temporary worker migration observed for North Americans after 2009. Half of all temporary visas issued to North Americans went to Canadians or Mexicans, America's two partners in the North American Free Trade Agreement (NAFTA).

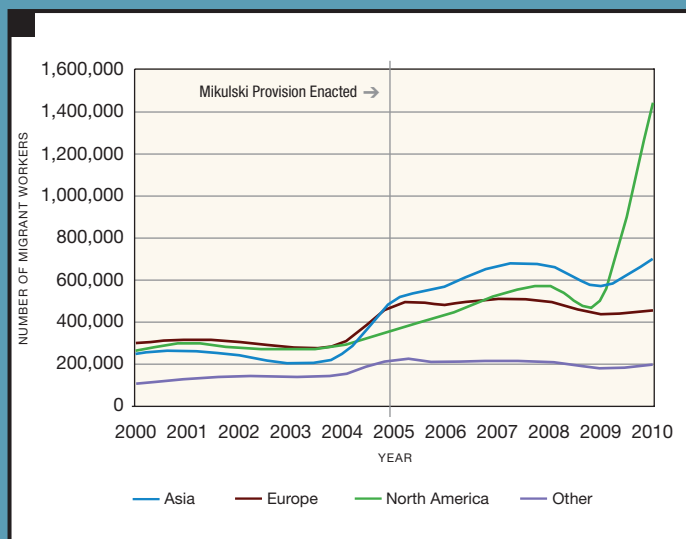
Given that Canada is a relatively small nation and Canadians are a small part of the total inflow of migrants, figure 6 focuses on Mexican guest workers and breaks them down by visa category. Clearly the bulk of the growth in temporary migration from Mexico has been among H-visa holders—workers in skilled and unskilled occupations in which native workers are in short supply. Growth in other visa categories was more modest through 2008, but the recent surge is largely attributable to sudden increases among holders of E-visas (treaty investors and traders), L-visas (intra-company transferees), and T-visas (NAFTA professionals). These increases reflect an upsurge in movement stemming from economic activities spurred by the North American Free Trade Agreement. In 2010 these three categories accounted for half of all temporary entries from Mexico, compared with 44 percent for H-visas and just 6 percent for all other visa categories. Although the surge in NAFTA-related entries is partially an artifact of better record-keeping at ports of entry in recent years, this change cannot explain the sustained growth in H-visa migration over time. Moreover, whatever the dimensions of the increase in NAFTA-related migration, guest worker migration from Mexico is now at levels not seen since the height of the Bracero Program in the late 1950s.

FIGURE 4. Legal immigration from Latin America by region



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

FIGURE 5. Entries by legal temporary workers by region of citizenship



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

### Undocumented Migration

In figure 2, we found that the undocumented population ceased to grow with the Great Recession, the first pause in growth in approximately a quarter-century. Figure 7 disaggregates this trend in the size of the undocumented population across three categories: Mexicans, Central American, and the rest of the world. Central Americans here include migrants from El Salvador, Guatemala, and Honduras, the only three countries for which separate estimates are available. By excluding Nicaragua, Costa Rica, and Panama, the data obviously understate the regional total. Nonetheless, the lion's share of the growth in the undocumented population obviously comes from Mexico. As of 2010, Mexicans comprised 62 percent of the total undocumented population, compared with 14 percent from Central America and 25 percent from the rest of the world. Including the missing countries from Central America in the tally would probably push its share closer to 20 percent, meaning that around

80 percent of all undocumented migrants come from Mexico or Central America.

The recession-induced decline in the size of the undocumented population shows up here as a Mexican phenomenon and not a Central American one. The decline also shows up for the rest of the world. Although undocumented migrants from the rest of the world increased from 1990 to 2001, thereafter the population stabilized and since 2007 has been declining. In contrast, Mexican migrants grew steadily from 1990 to 2008, while Central Americans increased all the way through 2010. Thus undocumented migration, although slowing of late, has contributed strongly to the ongoing Latinization of the United States.

**The Present and the Future**

As America recovers from the Great Recession, refugee migration is small, legal immigration seems to have stabilized at just over 1 million entries per year, and undocumented migration has effectively ceased for the first time in six decades. Studies are consistent in showing that this cessation did not stem from tougher enforcement, but from larger shifts in the North American political economy, such as the weakening of U.S. labor demand, the slowing of population growth in Mexico, a relatively stable economy south of the border, and perhaps most significantly, the opening of new legal avenues for the legal entry of Mexicans. As we have seen, in contrast to permanent and undocumented migration, entries by temporary legal workers have continued to rise and, indeed, have lately surged, especially from Mexico. This countervailing surge of entries by temporary legal workers has occurred quietly and without the attention it deserves.

With permanent immigration running at around a million persons per year and guest worker migration at record levels, the nation's employment needs are currently being met without the entry of new undocumented migrants. If temporary worker entries continue to rise as they have in recent decades, undocumented migration is unlikely to resume even if labor demand increases. Given demographic deceleration in Mexico, growing economies throughout Latin America, and expanded opportunities for temporary migration, the great boom in Mexican migration is likely over. The biggest problem facing the United States now is what to do with the population of 11 million people currently living outside the law. A third of all foreigners in the United States are undocumented.

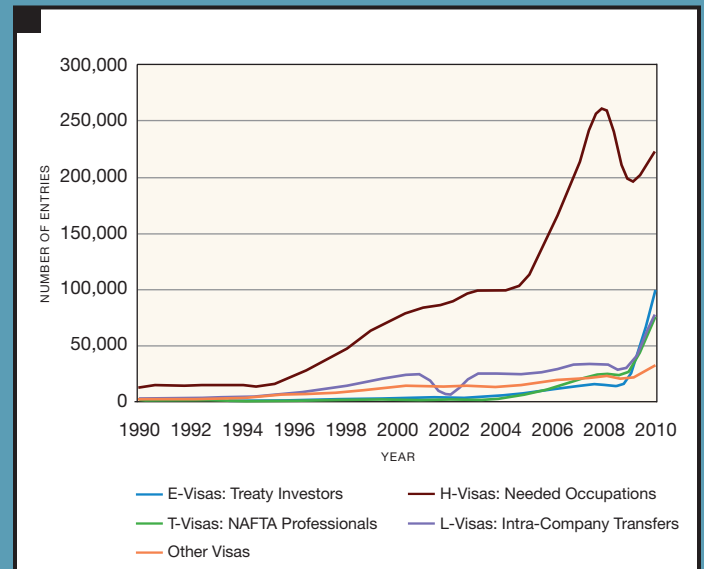
Among all Latinos present in the country today, 20 percent are undocumented and an even larger share live in households containing an unauthorized migrant, thus rendering this group uniquely exploitable and susceptible to economic dislocations. When one adds in the rapidly expanding number of temporary workers—people who lack freedom of mobility and labor rights—the singular vulnerability of this population is readily apparent.

Studies show that Latinos have been disproportionately affected by the Great Recession, experiencing the largest drop in wealth of any group. This economic shock comes on top of earlier declines in earnings, deteriorating health, stagnating edu-

cation, growing residential segregation, and rising poverty rates. The pervasive illegality and marginality among Latinos that has evolved in recent decades presently constitutes the single largest and most potent barrier to their socioeconomic mobility and full integration within the United States. With sizeable fractions of Latinos lying outside the protections of the law, their position in America has never been more precarious.

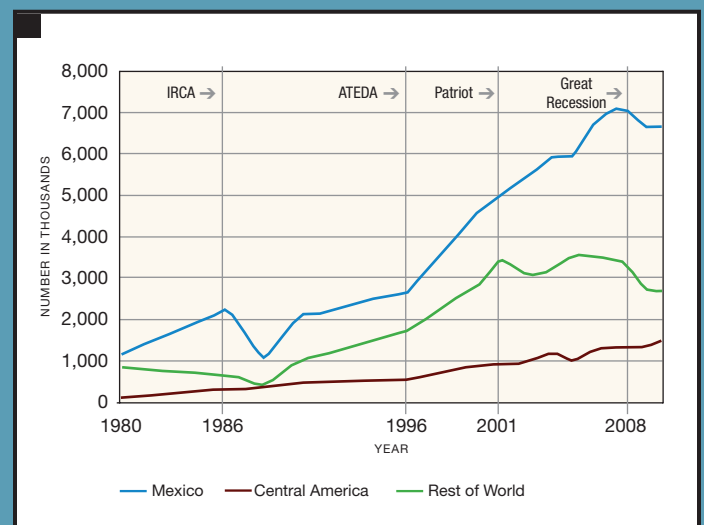
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FIGURE 6. Entries by Mexicans using different temporary work visas




Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

FIGURE 7. Estimated size of undocumented population by origin



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

# THE CRIME WAVE THAT WASN'T



BY CHRISTOPHER UGGEN

**C**ommon sense tells us that crime should increase during hard times. We've all seen examples of people taking desperate actions when they are cold, broke, and hungry, whether through real-life, firsthand observations, or through fictional characters like Tom Joad in *The Grapes of Wrath*. Moreover, recent research by María Dávalos and her colleagues suggests that recession-generated stress might induce people to turn to drugs or alcohol, which in turn might lead to criminal involvement.

Yet there is much evidence that crime rates and economic indicators often diverge. For example, crime increased during certain expansionary periods in the 1960s and, as I'll show below, it decreased between 2007 and 2010. This isn't because crime is unrelated to economic conditions, but because it is related to so many other things as well. There are also countless *countervailing* influences that make some types of crime less likely during periods of economic contraction. For instance, the most recent recession has kept a great number of people within the relative safety of their homes, because they are less likely to be going to work or out to dinner.

Of course, a deep and prolonged recession remains a special cause for concern among criminologists. Although we debate the precise timing or "lag structure" of its effects, we worry a lot about how children and adolescents will react to the grinding poverty of the Great Recession or to the diminishing opportunities they might foresee ahead of them. We are also very interested in whether recession-linked criminal justice policies—particularly the deep cuts to law enforcement and correctional budgets—will affect crime rates. It is too early to gauge these effects, but we now have enough data to draw some provisional conclusions about crime and recession from 2007 to 2010.

To determine whether the crime rate is rising or falling, I will present results from two primary data sources: (1) "official statistics" that the FBI's Uniform Crime Reports (UCR) compile from law enforcement agencies; and (2) victimization information from the National Crime Victimization Survey (NCVS).

### Crimes Known to the Police

According to the Uniform Crime Reports, serious crime reported to the police is lower today than at any time in the past two decades. As shown in figure 1, rates of both violent offenses (murder, rape, robbery, and aggravated assault) and property offenses (motor vehicle theft, burglary, and larceny-theft) plummeted by more than 40 percent from 1990 to 2010.

Crimes such as rape and murder are quite rare relative to larceny-theft, burglary, and motor vehicle theft, but there is good evidence that all of these offenses have declined. Figure 2 compares the average annual rate of decline before the Great Recession (between 1990 and 2006) versus the recessionary period from 2007 to 2010. Six of the seven crimes dipped more from 2007 to 2010 than in the preceding years, with the steepest decreases occurring for motor vehicle theft, robbery, and murder. The only exception to this pattern was burglary, which dropped by 2.5 percent per year before 2007 and 1.2 percent per year thereafter. Larceny-theft also fell by a relatively modest 2.8 percent per year in the recent period. Nevertheless, all seven of these commonly reported serious crimes have declined significantly in the past three years.

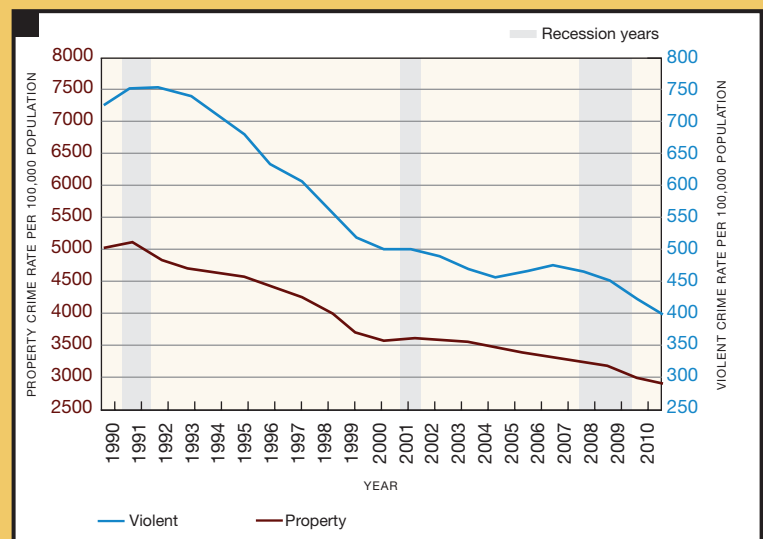
### Crimes Reported by Victims

Because many criminal acts are never reported to the police, discussions of crime trends must also address the so-called "dark figure" of unreported crime. The NCVS measures crime independently from the UCR, gathering data from a nationally representative sample of households rather than law enforcement agencies. These data also reveal a broad-based and long-term decline in crime. As shown in figure 3, the rate of violent victimization has fallen by 70 percent since 1993, from approximately 50 per 1,000 persons age 12 or older that year to 15 per 1,000 in 2010. The property crime victimization rate has declined by over 60 percent during this period, from 319 per 1,000 households in 1993 to 120 per 1,000 households in 2010. Most consider the slight rise in 2006 to be a methodological artifact, due to a change in survey methodology for that year.

When the NCVS victimization data tell the same story as the official statistics in the UCR, criminologists are generally more confident that we are observing a trend rather than a "blip" or a mirage. This appears to be the case with the crime drop from 2007 to 2010. As in the official statistics, all of the offenses except burglary have declined at a steeper rate since 2007 than from 1993 to 2006. (The NCVS was redesigned in 1993, so I begin here rather than in 1990.) Motor vehicle theft is falling fastest, at about 13 percent per year since 2007. Moreover, rape, robbery, assault, and theft victimization have all dropped by at least 6 percent per year during the recession (see figure 4).

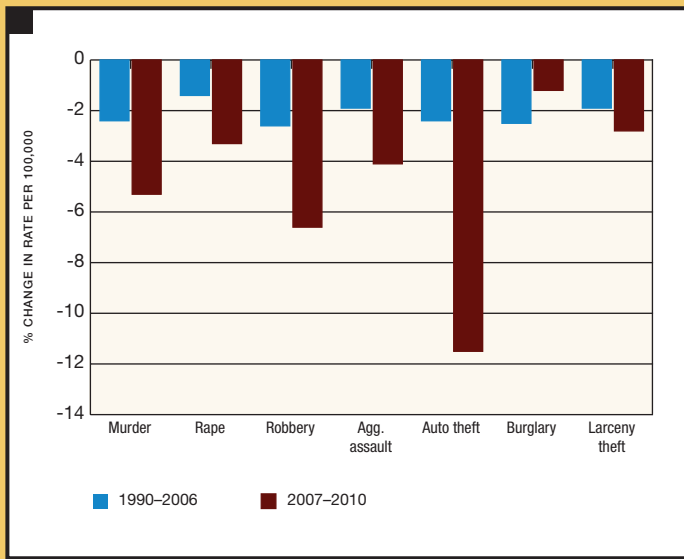
Consistent with the UCR data, burglary is declining at a somewhat slower rate over the period. Some have speculated that these crimes are falling less steeply because of the recession—and because markets for illegal drugs have become less

FIGURE 1. Crimes known to the police per 100,000 population, 1990–2010



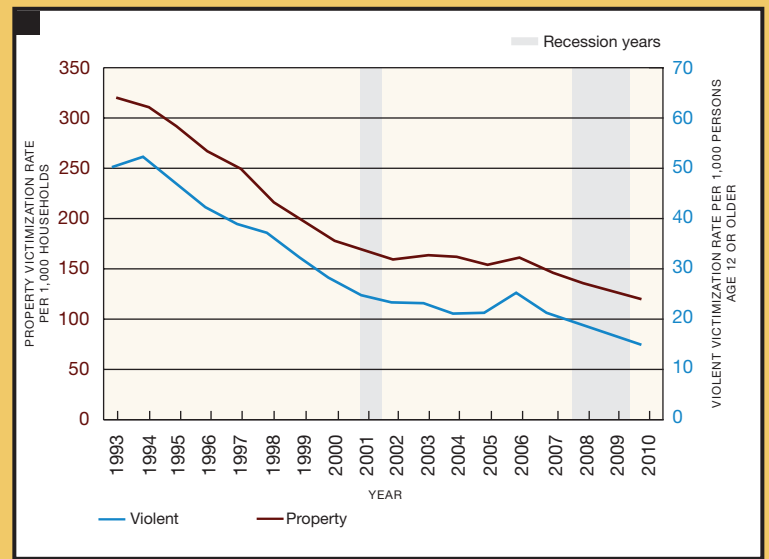
Source: Crime in the United States series (Table 1, each year from 1990-2010).

FIGURE 2. Short- and long-term drop in crime per 100,000



Source: Crime in the United States series (Table 1, each year from 1990–2010).

FIGURE 3. Decline in violent and property crime victimization, 1993–2010



Source: Criminal Victimization, 2010 and Criminal Victimization in the United States series (each year from 1993–2008).

lucrative in many urban areas. Regardless of the cause, the drop for burglary has been modest by both UCR and NCVS measures, hinting that a reversal in its downward trend may be likely in coming years.

### Punishment

It is generally easier to get accurate measures of punishment than of crime, since the Bureau of Justice Statistics does an excellent job assembling reliable information on correctional populations in the United States. Data from the Bureau's *Correctional Populations in the United States* reveal a dramatic and unprecedented increase in the number of Americans under correctional supervision, from about 1.8 million in 1980 to over 7.3 million in 2007. People incarcerated in prison and local jails account for about one-third of this number in 2010. The remainder are being supervised on conditional release in their communities, either on probation (often in lieu of a prison sentence) or parole (generally following prison for the remaining portion of the sentence).

Figure 5 documents this rise, but it also shows how correctional populations have declined by about 3.7 percent since 2007. Prison incarceration has been relatively flat at approximately 1.5 million, but both probation and jail populations declined between December 31, 2007 and December 31, 2010. Perhaps due to recession-related early prison release practices, parolees *increased* over this period, from about 826,000 to 840,676 in 2010.

Although several correctional populations have dipped during the recent recession, this represents a tiny drop from an enormous bucket. In fact, U.S. incarceration rates remain five

to seven times higher than those of other democratic nations (see, for example, Roy Walmsley's *World Prison Population List, 8th Edition*). To provide some perspective on the scale of American punishment, Sarah Shannon and I prepared figure 6 for the new *Blackwell Companion to Political Sociology*.

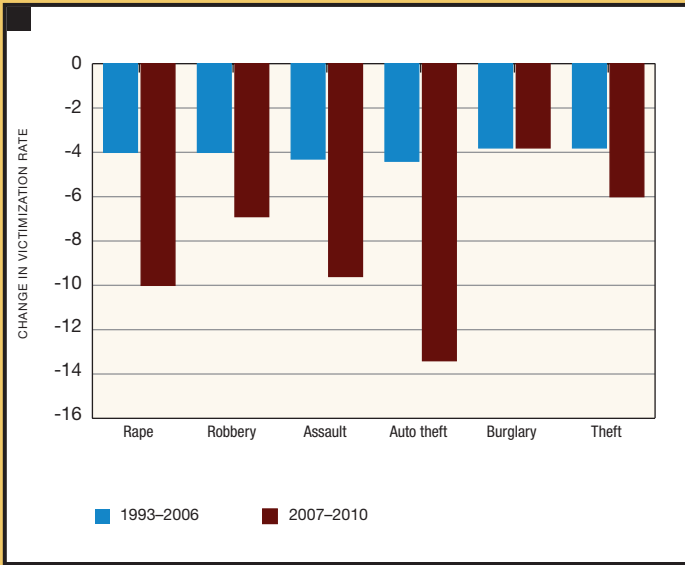
Here, the sizes of the nations in the map are adjusted in proportion to their relative incarceration rates. The United States looks bloated because it has the highest total jail and prison incarceration rate in the world (743 per 100,000 in 2009). Areas with low incarceration rates, such as Canada, Northern Europe, and much of Africa, shrivel just as dramatically on the map, while nations that are large in land area but lower in incarceration rates, such as China and India, are also noticeably smaller. Although prison populations are growing worldwide, only Russia (568) and Rwanda (595) have incarceration rates that come anywhere near the U.S. rate—and the recession has done little to change this situation.

But the degree of criminal punishment also varies dramatically *within* the United States. Louisiana's 2010 incarceration rate of 867 per 100,000 is more than 5 times higher than Maine's rate of 148 per 100,000. There is also tremendous regional variation in punishment, with imprisonment rates in the South long exceeding those of the Northeast and Midwest (though racial disparities in punishment tend to be much higher in the North than in the South). Figure 7 shows the highest current incarceration rates in a belt stretching across Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Florida, and South Carolina.

While these broad regional patterns have not changed dramatically since the start of the recession, some states have

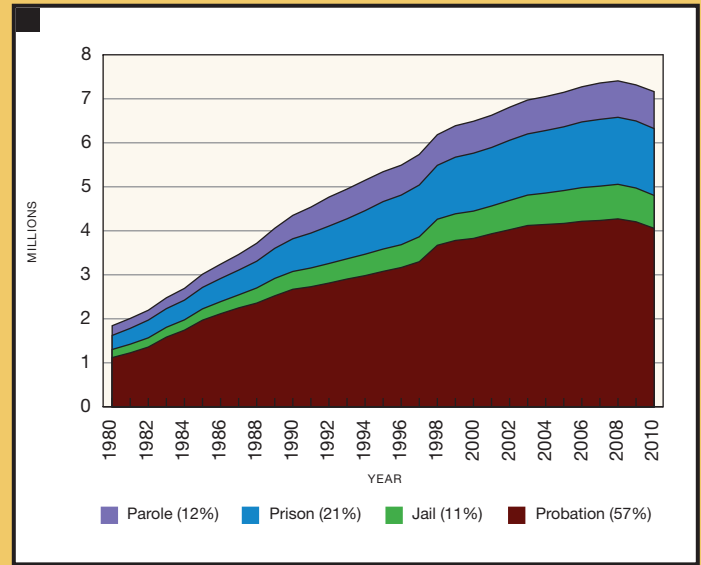


FIGURE 4. Change in NCVS victimization rate, 1993–2006 and 2007–2010



Source: Criminal Victimization, 2010 and Criminal Victimization in the United States series (2007–2008).

FIGURE 5. Correctional populations in the United States, 1980–2010



Source: Prisoners in the United States series; Probation and Parole in the United States series; Correctional Populations in the United States series (1980–2010).

continued to expand incarceration while others have begun to scale back. State prison costs vary dramatically, but estimates vary from about \$25,000 to \$50,000 per inmate per year. Given the recent financial exigencies in many states, some observers expect a shift away from prisons and toward less expensive community-based alternatives, such as probation and parole.

As figure 8 indicates, states such as Alaska, Georgia, Kentucky, Massachusetts, Michigan, and New York all reduced their imprisonment rates by 10 percent or more between 2007 and 2010. In contrast, Arkansas, Illinois, Iowa, Pennsylvania, and West Virginia have all *increased* their rate of prison incarceration by at least 6 percent.

While informative, the general trends discussed thus far obscure some gross and persistent inequalities. In particular, the story of American criminal punishment is deeply intertwined with racial disparities. In 2010, the incarceration rate for African American males was over 3,000 per 100,000, a rate more than 6 times that of white males and 65 times that of white females.

### Crime and Complacency

This brief review of statistics before and since the Great Recession's onset provides clear evidence for a decline in crime from 2007 to 2010. It also shows a consistent, albeit less steep, drop over that period in most correctional populations. To date, then, there is little evidence that great numbers of people have “turned to crime” in response to economic recession.

Of course, these broad trends reveal little about the specific causes of crime. As noted at the outset, the demographic, economic, and social forces that drive crime rates higher or lower are always changing simultaneously, complicating efforts to iso-

late the net recession effect. While few rigorous studies span the Great Recession era, criminologists are beginning to understand why crime has dropped so precipitously since the 1990s (and, for some offenses, since the 1980s).

To explain the long-term global drop in property crime, for example, Eric Baumer and Kevin Wolff cite both “target hardening” (including better home security and the proliferation of cell phones) and improving *subjective* economic conditions. In measuring the latter, researchers such as Richard Rosenfeld, Robert Fornango, and Steven Messner are looking well beyond unemployment rates, showing how such factors as consumer confidence help explain rates of robbery and burglary. Others point to the short-term incapacitative effects of high incarceration rates, though punishment alone cannot explain the crime decline.

Regardless of the long-term trends, however, there is little evidence to date that other factors are masking a recession-linked upsurge in crime. The lone exception to this pattern may be burglary, which has dropped a bit less than other crimes since 2007. Nevertheless, even burglary has continued to fall throughout the recession, at a rate of about 1 percent per year in the official statistics and 4 percent per year in victimization surveys.

While there is much good news to report, a myopic focus on positive crime *trends* can obscure a really big and disturbing picture—the outsized *levels* of crime and punishment in America. Rates of U.S. crime and (especially) punishment remain unusually high by international standards. And none of the foregoing analysis provides any reassurance that recent trends will not reverse in the near future. There is simply no way to determine at this point how the crime picture will look in 2015, particularly

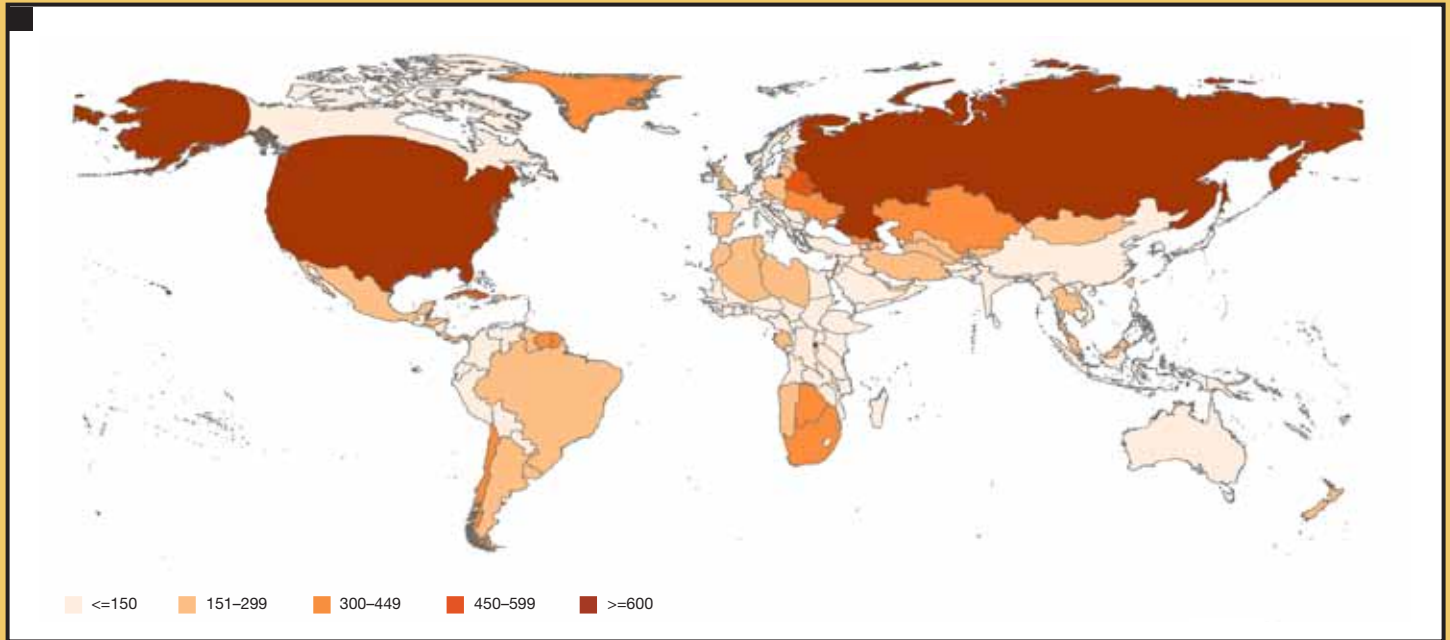
if the economic situation worsens or fails to improve. In fact, preliminary 2011 statistics show that crimes such as burglary could once again be rising in several jurisdictions.

Even more importantly, the costs of crime and the pains of punishment fall disproportionately on those least equipped to bear them. While the news thus far should assuage our worst

fears, it's obviously still possible that the crime effects of this recession will be felt more harshly and directly in the years to come.

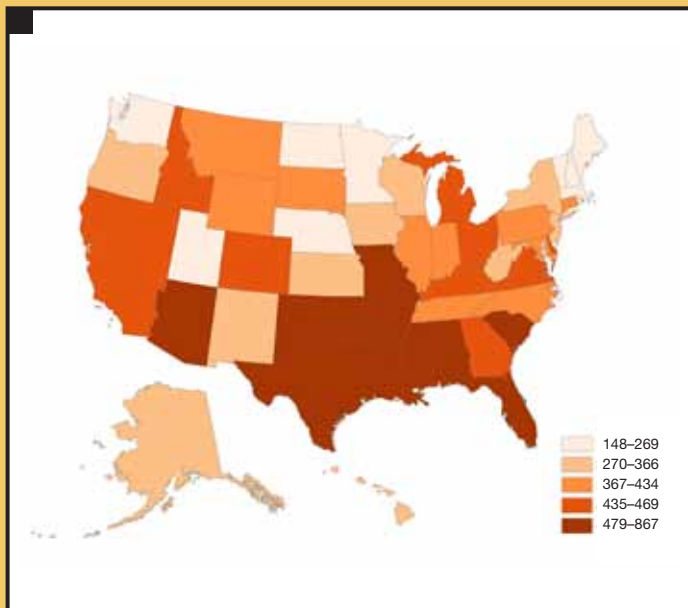
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FIGURE 6. Cartogram of world incarceration rates per 100,000 population (Shannon and Uggen, 2012)



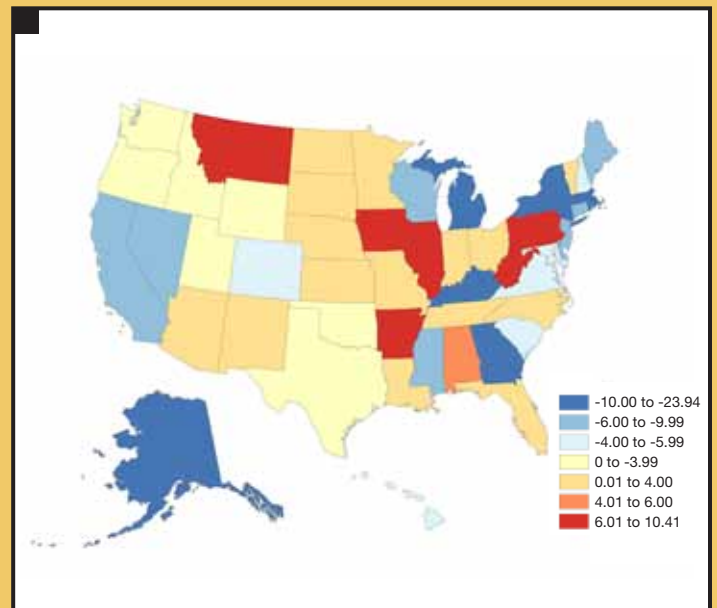
Source: Walmsley, Roy. 2009. *World Prison Population List* (8th ed.), London: United Kingdom Home Office Research, Development and Statistics Directorate.

FIGURE 7. Imprisonment per 100,000 in the United States, 2010



Source: Prisoners in the United States, 2010.

FIGURE 8. Changes in state incarceration rates, 2007-2010



Source: Prisoners in the United States, 2010 and prisoners in 2007.

A woman in a purple dress is balancing on a thin yellow tightrope that stretches between the caps of two large, stylized pill bottles. The bottles are white with colorful horizontal bands (red, yellow, blue) and are set against a solid blue background. The woman has her arms outstretched for balance.

# Is the Recession Making Us Sick?

BY SARAH BURGARD

**A**re we experiencing a “health recession”? While many think the impacts of the Great Recession are mostly confined to the labor and housing markets, the recession may also have taken a toll on health and well-being. In assessing such health impacts, it’s important to distinguish between direct and indirect effects, the former pertaining to the health of those who are directly impacted by recession-induced negative events, such as unemployment, and the latter pertaining to the more diffuse behavioral changes that a recession may bring about among the general population. For example, the recession might reduce the amount of discretionary driving (to save on fuel costs), with the indirect result being fewer accidents.

We expect direct effects, by contrast, to be mainly of the negative variety. These direct effects of the recession are health-harming because of the stress and material hardship experienced by individuals who go through foreclosures, job losses, extended unemployment, and financial strain. For example, research by Kate Strully, William Gallo, and others has found that those who lose jobs have a substantially greater chance of developing a new health problem, while Till von Wachter and Daniel Sullivan have found that job displacements are associated with a higher risk of mortality for men even a decade after the displacement occurs. A recent study by Craig Pollack and Julia Lynch showed that those undergoing foreclosure are more likely to experience deteriorating health, a result that's consistent with a larger literature showing that housing insecurity may lead to declining health.

However, while recessionary events appear to harm the health of those who experience them, many individuals do not directly suffer these shocks—even during a harsh economic downturn. This helps to explain why other research, such as a recent study by Christopher Ruhm, finds that, by some measures, health may actually improve during economic downturns. The indirect effects of the recession are often health-improving and thus operate to counteract the health-harming direct effects.

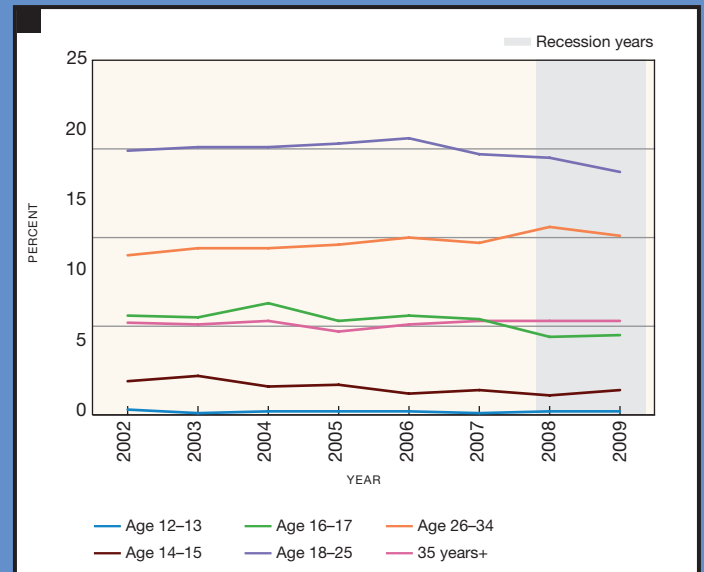
There are various ways in which such indirect effects can be health-improving. For example, there is less disposable income during a recession for unhealthy snacks or substances, for eating out (which tends to be unhealthful), or for discretionary driving (which increases pollution and the risk of auto accidents). Because the demand for labor weakens in a recession, people will also work fewer hours on average, thus reducing the chances of on-the-job injuries and increasing time for activities that enhance well-being. At the aggregate level, these types of behavioral changes can make the population healthier.

The potentially offsetting effects of such direct and indirect processes can explain why, at the aggregate level, some health outcomes deteriorate and others improve in a recession. The key variables in this regard are (a) the proportion of the population that experiences a direct recession event (e.g., unemployment), (b) the extent to which such experiences have health-harming direct effects (for the outcome in question), and (c) the extent to which the indirect behavioral changes among the general population are health-improving. These three variables may combine in different ways for different health outcomes and thus yield different trends.

The purpose of this article is to summarize these aggregate trends. We pose the following questions: Is the recession lowering the aggregate level of physical well-being in the U.S.? Is it lowering the aggregate level of mental well-being? How has access to health care changed, if at all, with the recession?

In the course of addressing these three questions, we will bear in mind (a) the distinction between direct and indirect effects, and (b) the equally important distinction between short-run and possible long-run (and hence as yet undetected) effects.

FIGURE 1. Heavy alcohol use in the past month among persons 12 years of age and older by age group, 2002–2009



Source: Health, United States 2010. <http://www.cdc.gov/nchs/hus/contents2010.htm>

We will also consider whether trends in aggregate health indicators are similar across social groups defined by age, gender, and race or ethnicity.

### Aggregate Trends in Health

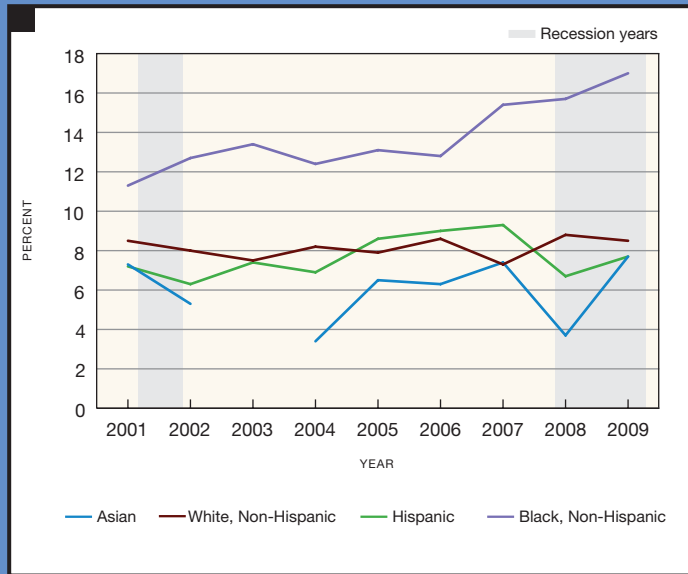
We begin by considering aggregate trends in the physical health of the U.S. population. The good news here is that, when considering the U.S. population as a whole, we do not see troubling changes in several key measures of health. Trends of slowly rising life expectancy and declining infant mortality have continued undisturbed, and there are no sharp changes in the fraction of infants with low birth weights.

Likewise, data on various health behaviors are encouraging, with trends either holding steady or turning in a slightly healthier direction in recent years. The percentage of Americans who are overweight continues to increase, but not at any faster rate since the recession began, while rates of obesity have not changed, and rates of tobacco use have remained similar to pre-recession levels or declined slightly.

As an example of this “no effects” conclusion, we’ve presented in figure 1 trends in rates of heavy drinking, a result of interest because many commentators hypothesized that Americans would “turn to drink” in the recession. To the contrary, figure 1 shows that rates of heavy drinking are, since 2006, unchanged or slightly declining across all age groups. This result could of course arise because any increases in the motivation to drink (e.g., enhanced stress) are counterbalanced by the decline in resources to purchase alcohol.

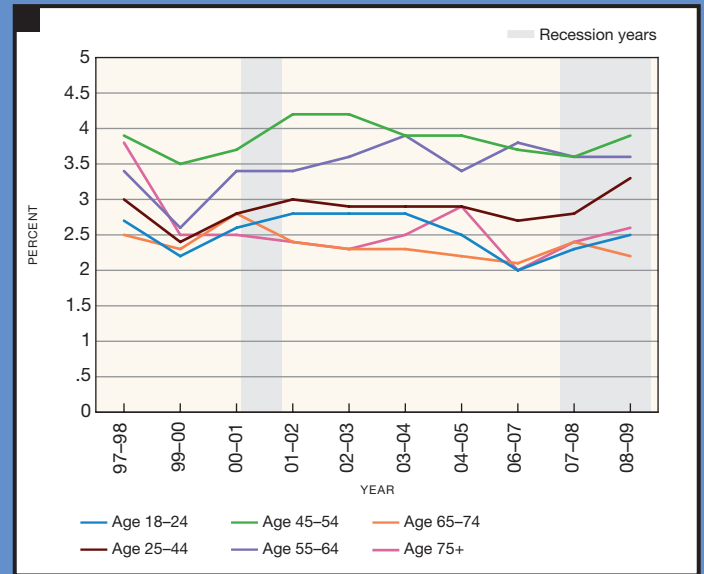
Although the initial evidence is therefore largely encourag-

FIGURE 2. Percentage of children who currently have asthma by race and Hispanic origin, 2001–2009



Source: childstats.gov. <http://www.childstats.gov/americaschildren/tables/health8b.asp?popup=true>

FIGURE 3. Percentage of adults reporting serious psychological distress in the past 30 days by age group, 1997/98–2008/09



Source: <http://www.cdc.gov/nchs/hus/contents2010.htm>

ing, there are at least three reasons to be cautious and to withhold any final judgement. Most obviously, we don't always have good post-recession data for key indicators. The trend data for suicide, for example, have only just been analyzed and suggest more troubling health consequences of the Great Recession. Second, it's also possible that many of the negative effects, especially those that are linked to exposure to stress, may take some time to register and may be concealed within time series that, at this point, can only speak to immediate effects. The direct effects of the sort discussed in our introductory comments are precisely of this sort.

The third and most important reason to withhold judgment is that a few measures of health suggest, even at this early point, a negative recession effect on health. We provide one such example in figure 2. As shown here, African American children suffer from asthma at a higher rate than children from other racial or ethnic groups. More relevant to our purposes, we also see that African American children experienced a small increase in asthma following the recession, as did Asians and Hispanics. Although the sharpest uptick for African Americans occurs prior to the recession, we also see an additional uptick during the recession itself.

### Aggregate Trends in Mental Health

But what about mental health problems? If the recession is viewed as a stress-increasing event, it's possible that most of its effects on health will register in the mental health domain. Although recession-based stress will be most extreme among those who directly experience negative events (e.g., unemployment, negative equity, foreclosure), the baseline probability of experiencing nega-

tive events is so high in the ongoing downturn that, even for those who haven't directly experienced them, there's still good reason to worry about experiencing them in the future. This line of reasoning suggests that the mental health effects of the recession may be detectable even now.

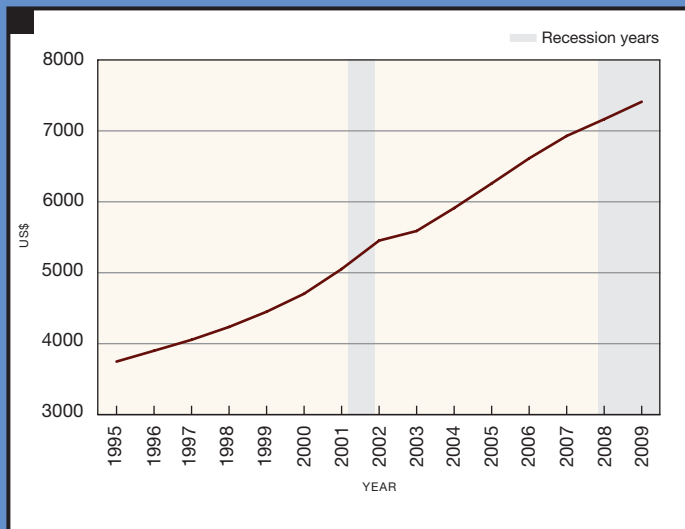
There is some suggestive evidence in support of just such an account. Figure 3, which reports levels of serious psychological distress, shows an uptick among several age groups. For 25 to 44 year olds, the rate of serious distress in 2008–2009 was 3.3 percent, compared to 3 percent or less between 1997 and 2008. It bears noting that this group, especially at the younger end of the age range, has faced the most employment and housing instability related to the recession. Although the increase in distress is not all that large, it's relevant that it's happening across various vulnerable age groups.

Again, it's wise to counsel caution in interpreting these results, just as we did in presenting the more negative results of the prior section. Why be cautious? First, other data suggest that, at least among children, levels of reported emotional problems have not changed much recently. It's possible that distressed parents can buffer their children against any negative effects (at least in the short run). Second, research conducted before the Great Recession by Sidra Goldman-Meller and colleagues found only limited support for a link between recessions and depressive symptoms, again at the population level.

It's accordingly too early to reach any definitive conclusions. The trends we present here are nonetheless worrying and suggest the importance of continued monitoring and assessment of other measures of mental health as they become available.

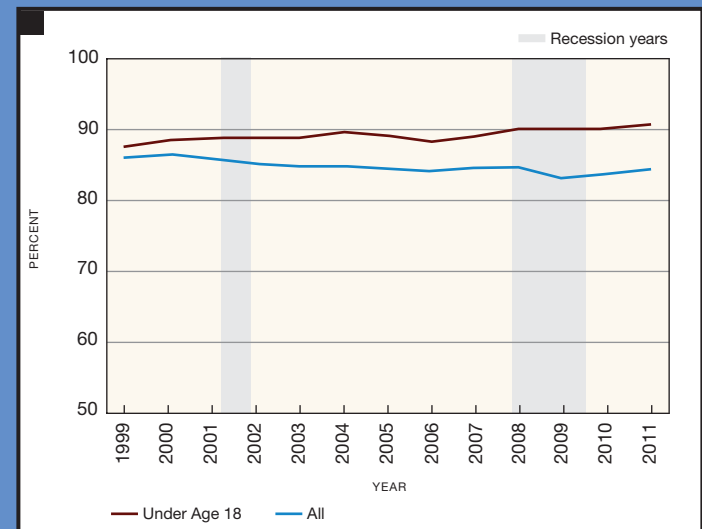


FIGURE 4. Health expenditures per capita in the United States in current U.S. dollars, 1995–2009



Source: <http://data.worldbank.org/indicator/SH.XPD.PCAP>

FIGURE 5. Percentage with health insurance coverage in the United States overall and among children, 1999–2011



Source: U.S. Census Bureau.



**Because the demand for labor weakens in a recession, people will also**

**work fewer hours on average, thus reducing the chances of on-the-job injuries and increasing time for activities that enhance well-being. At the aggregate level, these types of behavioral changes can make the population healthier.**

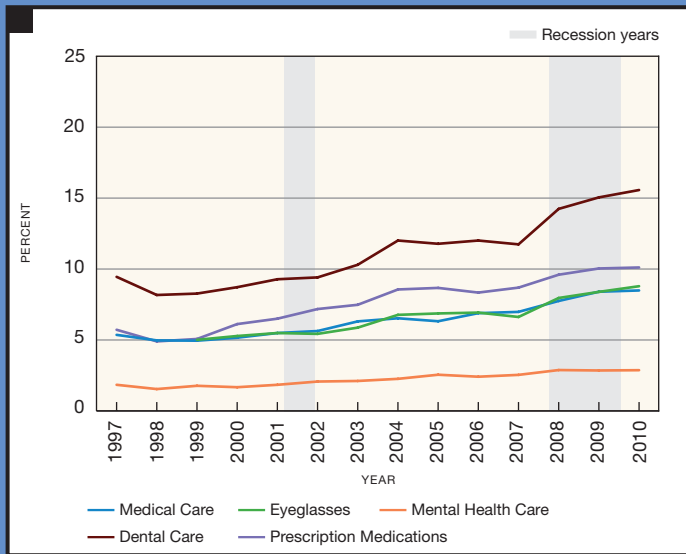
### Aggregate Trends in Spending on and Access to Health Care

We turn next to trends in government spending on health care and access to health care. On the matter of spending, one might imagine that, as tax revenues decline, government spending on health care would decline in tandem. This is clearly not the case. To the contrary, resources allocated to providing health care in the United States have continued their secular rise, as figure 4 illustrates.

What about health insurance coverage? Although we're spending more in the aggregate on health, figure 5 shows that health care coverage for Americans has nonetheless been declining, falling from just over 86 percent in 2000 to about 84 percent in 2011. There does appear to be a subtle recession-induced decline in such coverage. However, when one considers insurance among children, we see that it has risen slightly since 2006. Other data also show that health insurance coverage for poor children has continued to improve in recent years. Of course, the trends in asthma discussed above suggest that extensions of health insurance alone cannot prevent all child health problems from occurring, nor has it prevented a greater burden among less-advantaged social groups.

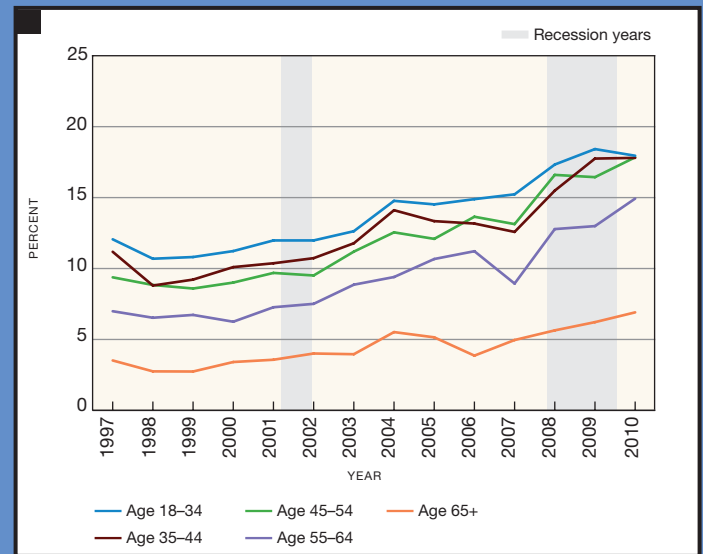
Perhaps most striking among the available indicators is the increase in the proportion of American adults foregoing health care even when they think it is needed. Figure 6 shows that while the percent going without various forms of care has been slowly increasing since the late 1990s, reports of foregone dental care

FIGURE 6. Percentage of adults in the United States who needed but couldn't afford different types of medical care, 1997–2010



Source: Stanford CPI Calculations Based on NHIS IPUMS Data. Minnesota Population Center and State Health Access Data Assistance Center, *Integrated Health Interview Series: Version 4.0*. Minneapolis: University of Minnesota, 2011. <http://www.ihis.us/ihis/>

FIGURE 7. Percentage of adults in the United States who needed but couldn't afford dental care by age group, 1997–2010



Source: Stanford CPI Calculations Based on NHIS IPUMS Data. Minnesota Population Center and State Health Access Data Assistance Center, *Integrated Health Interview Series: Version 4.0*. Minneapolis: University of Minnesota, 2011. <http://www.ihis.us/ihis/>

rose quickly after 2006, from under 12 percent to almost 16 percent by 2010. There were also notable increases over this period in foregone eyeglasses and prescription medications. Similarly, figure 7 reports on foregone dental care, and here again a sharp increase is evident throughout the population, though people over 65 have much lower likelihood of going without this or other forms of health care.

It follows that there's much evidence of recent scrimping on important preventive and curative medical care. Although this scrimping hasn't yet registered in many health outcomes (with the possible exception of asthma), it is reasonable to hypothesize that over the long run it will.

### Conclusions

Taken together, these indicators suggest that for most Americans the Great Recession did not have immediate negative health impacts. This is consistent with past research showing that, at the aggregate level, health does not decline in any precipitous way when the economy does.

But there are important exceptions to this conclusion. We've suggested that some mental health outcomes may register more immediate effects and have shown, consistent with this argument, that serious psychological distress is rising, especially among 25–44 year olds. We suspect that mental health outcomes are more likely to register in population statistics because stress may increase not just among those directly experiencing a negative event but also among those who worry that they may

experience one soon. This kind of precariousness has been linked to poorer mental health in a host of past studies.

We've also shown a rising rate of asthma among Black children and a sharp increase in foregone medical care among adults. These results suggest that, in localized and delimited ways, negative health consequences are already being felt. We must be prepared for the possibility of many other negative effects emerging over time. Research has shown that the consequences of economic and other social stressors for health often follow at a lag of many years, due to the complex etiology of disease. We must wait for the data to assess those outcomes.

We should also reemphasize that the foregoing results speak more to the indirect effects of the Great Recession than to the direct effects. That is, the data presented here are of course aggregate and thus may conceal health consequences for individuals who have actually experienced job losses, mortgage failures, or other serious recessionary events. It is at this individual level where past research has shown the largest health effects, and studies that follow these individuals to observe changes in their health will be essential to understand the full effects of the Great Recession on health and health disparities.

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# Sheltering the Storm: American Families in the Great Recession



BY S. PHILIP MORGAN,  
ERIN CUMBERWORTH, &  
CHRISTOPHER WIMER

## The family is an important setting within which the Great Recession can exert its influence.

**Although the downturn directly affected many workers by reducing their earnings or forcing them into unemployment, it affected others indirectly by changing their living arrangements or family life.**

Further, the ways in which families are formed or broken up may be affected by the Great Recession, as it can alter the perceived costs and benefits of various family-relevant behaviors. Amid the turmoil and economic upheaval in the wider economy, individuals and families go about their lives, deciding to get married, suffering through breakups and divorces, planning families, and sorting out their living arrangements. The recession could have major effects on all of these family processes.

In this article, we provide evidence on the ways American families are changing in the face of the biggest economic calamity since the Great Depression. Is the downturn altering the fabric of the American family? Or are families functioning pretty much as usual? This question will be taken on by examining changes in rates of fertility, marriage, divorce, cohabitation, and multigenerational living arrangements. The simple answer proffered here: With a few important and intriguing exceptions, these key family processes have not changed much during the recent downturn.

### Fertility

We begin by considering fertility rates. Over the past century, fertility rates in the United States varied dramatically, plummeting during the Great Depression, skyrocketing during the post-World War II baby boom, and declining again in the baby bust of the 1970s. Since 1990, there has been an extended period of striking stability, with Americans averaging close to two children per woman. In figure 1, we focus on the trend since 1970 in the total fertility rate (TFR), one of the most commonly used measures of fertility. The TFR is defined as the number of births a woman would have if she, over her lifetime, experienced the age-specific rates of a given period. The TFR may therefore be understood as the expected number of births under the assumption that the age-specific rates don't change over time. The resulting fertility estimates, based on vital registration data, are of high quality. Given measurement of these births at precise dates, changes in rates 6 to 12 months after an economic shock can be plausibly linked to the shock.

The figure shows that, after plummeting in the early 1970s to a low of 1.74 births, the TFR recovered and climbed as high as 2.12 in 2007. Fertility fell slightly with the onset of the recession, down to 2.08 in 2008 (when recession effects would just be starting to show up in the number of births), and then fell further to 1.93 in 2010. This drop brings the rate back to the lowest level since 1987. The recent decline in fertility, which is modest compared to the dramatic shifts earlier in the twentieth century, is in line with evidence from previous recessions.

Economic downturns tend to reduce fertility. For most couples, having a child and making such a long-term commitment is a decision best made when they are economically secure in their jobs and their future. Thus, in times of recession, when uncertainty and insecurity about the future runs rampant, we might expect that persons would postpone births and that fertility rates would drop.

In supplemental analyses that we've undertaken, we also found that the recent declines in fertility were greatest in states that were hit hardest by the recession, as would be expected if the declines are a response to the economic hardship brought about by the recession. Further, we found that the fertility response to economic hardship was greater in "red states" (i.e., those voting disproportionately Republican) than in "blue states" (i.e., those voting disproportionately Democratic), a result that again suggests that fertility is affected by judgments about future economic circumstances. The optimism that Obama's election in 2008 generated in "bluer" states may have dampened concern about the recession or raised hopes that it would end quickly and well. This finding emphasizes that people's perceptions of the severity and long-term impact of recession influence fertility decisions over and above people's objective circumstances.

### Marriage and Cohabitation

The recession might also influence the likelihood of getting married. But the direction of this effect, if it can be found, isn't entirely obvious. It's just as easy to tell a story about how the Great Recession will increase the number tying the knot as it is to tell a story about how it reduces that number.

The marriage-reducing hypothesis is perhaps more plausible, given that among the most consistent and robust predictors of marriage are men's employment and economic potential. Those who are employed and who demonstrate greater economic potential have been shown to be more likely to enter into marriage across many time periods and for various types of groups. Couples might also defer marriage if financial strains cause more tension and fighting in relationships, or if they plan on having a costly wedding. Thus, in times of economic uncertainty, we might expect marriages to decline.

On the flip side, marriage confers tax benefits on couples and allows them to create so-called economies of scale, as two can live together more cheaply than each individually. This would lead us to conclude that marriages might increase during recessions. In adjudicating between these two discrepant accounts, the key question is whether couples place more weight on (a) the tax advantages and economies of scale that marriage entails,



or (b) the norm that marriages should only be undertaken when economic circumstances appear to be secure.

What do the data reveal on this question? Figure 2 shows the marriage rate (the number of marriages per 1,000 population). Note that since the start of the Great Recession the marriage rate has declined. However, because it was already declining prior to the recession, one shouldn't treat this result as a true recession effect. Contrary to some accounts in the media, there seems to be no major inflexion of the trend corresponding to the recession onset. Moreover, our supplemental analyses revealed that states varying in the extent to which the recession hit them did not show corresponding variation in their marriage rates. Thus,

with these data we find little evidence that the recession led consistently to marriage or to its postponement.

It may nonetheless be premature to conclude that the Great Recession had no effects on union formation. There are three reasons why some amount of caution is in order. First, the marriage rate (marriages per 1,000 population) is not a very precise measure and reporting is less reliable than for births. Second, responses to the Great Recession could have been substantial at the individual level but largely offsetting. That is, some couples may have responded with earlier marriage and others with marriage delay, meaning that overall we observe no net effect (or aggregate change). Finally, many contemporary unions are not formal marriages (but cohabitations). Thus, the marriage rate, even if reliable, misses much contemporary union formation behavior.

Can a recession effect be salvaged when the focus shifts from marriage to cohabitation? Although many think it's inappropriate to get married without the requisite economic security, it's less common to insist on such security before entering into cohabitation; and hence one might argue that an economies of scale effect would govern trends during a recessionary period. We assess this hypothesis by returning to figure 2.

The trend line shows the proportion of individuals in a cohabiting relationship based on the Current Population Survey. This measure reflects the cumulative proportion in this union status (the "stock" of persons cohabiting) and not the monthly flows into this union status. The latter measure would provide a much more sensitive measure of the Great Recession's effect, but such data are not yet available. The data that are available, as reported in figure 2, might at first blush suggest a recession-induced uptick in cohabitation, but again the trend should be interpreted in the context of ongoing and preexisting trends. That is, just as the marriage rate has been declining over the long run, so too the percentage living with an unmarried partner has been increasing over the long run. The simple conclusion: While the proportion cohabitating increased slightly after the onset of the recession, it again appears to be the continuation of a preexisting trend. As with marriage, we find little evidence of a true recession effect.

### Divorce

What about divorce? Two equally plausible stories can again be told. Substantively, one might reasonably think that the recession would lead to fewer divorces, as they can be quite costly and have the additional negative side effect of disrupting economies of scale. At the same time, the stress and turmoil of economic hardship could work to disrupt relationships and marriages, leading to a spike in the divorce rate. It's a matter, then, of whether the instrumental effect (i.e., the high cost of divorce) trumps the emotional effect (i.e., the disruptive effect of economic trauma).

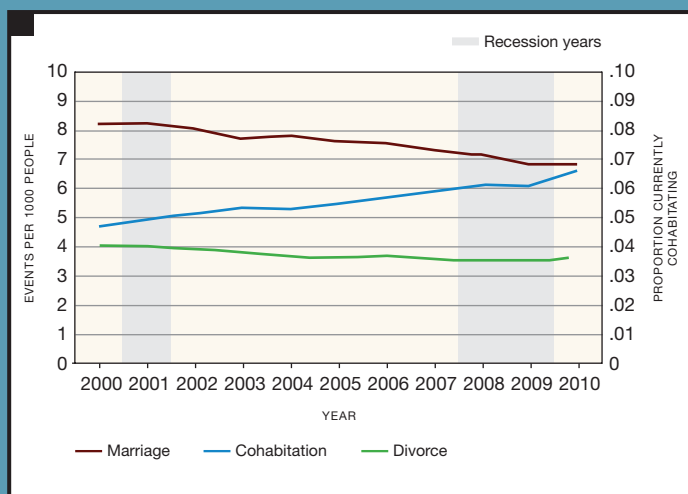
As with union formation, the currently available data have weaknesses that suggest cautious interpretation. A divorce date is a poor proxy for the de facto end of a union, such as a separation that might precede the divorce by months or years.

FIGURE 1. Total fertility rate



Source: National Center for Health Statistics.

FIGURE 2. Marriage, divorce, and cohabitation rates



Notes: Vertical bars show recession periods. Each point represents the average of the marriage (divorce) rates for all 12 months in each year.

Source: National Vital Statistics Report (National Center for Health Statistics) and Current Population Survey.

Moreover, the divorce rate considers only formal unions, not cohabitation.

But in figure 2 we make do with such evidence as is available. The data show a declining divorce rate (divorces per 1,000 population). But as with marriage and cohabitation, the change in the divorce rate appears to be a continuation of a longer-standing decline dating back to around 2000. The tentative conclusion must therefore be that the Great Recession has had no major effect on the trend in divorce.

In sum, future analysis will be able to address these questions with greater precision than is allowed by the measures that we examine here. But, to the extent that we can weigh in on union formation and disruption with currently available data, we find no evidence of spikes that suggest major effects of the Great Recession.

### Multigenerational Living Arrangements

We conclude our analysis of recession effects by examining trends in multigenerational living arrangements. It's surely plausible that, as the Great Recession played out, people dealt with their personal economic crises by increasingly moving in with their kin.

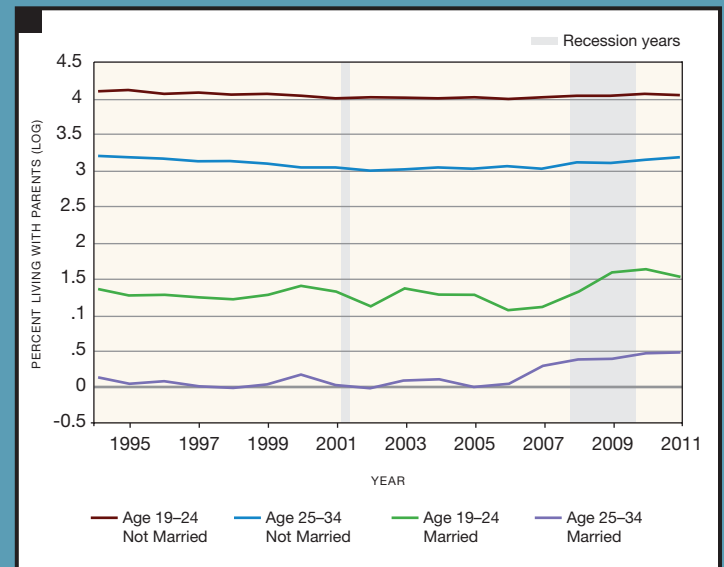
The empirical backdrop to this possible recession effect is the increasingly less orderly transition to adulthood. What used to be a carefully and linearly sequenced set of transitions from school to employment and independent living and then to marriage and childrearing has now become a set of transitions increasingly dissociated from one another, more episodic than permanent, and more discontinuous. The transition to adulthood, then, is changing as becoming an adult becomes more fraught with uncertainty and experimentation by young people. Recessions, especially severe ones, are likely to exacerbate such uncertainty, potentially leading more young people to coreside with their families in response to economic pressures.

Figure 3 shows the trend in the logged proportion of young adults living with their parents over the period from 1994 to 2011 (using the Current Population Survey). We show trends for four groups defined by age (19–24, 25–34) and marital status (married, unmarried). The proportion coresiding varies sharply by these characteristics; for example, the young and unmarried are more likely to live with parents, while the older and married groups are less likely. But regardless of age and marital status, we find that living with parents increased between 2006 and 2011. During this period, the proportion increased quite steadily for all groups, with the exception of a slight curvilinearity for the young married group. Attributing this increase to the Great Recession is reasonable, but more research is required to assess competing explanations for the rise in coresidence.

### Conclusions

The available evidence suggests that the Great Recession had a modest impact on family processes. In the case of marriage, cohabitation, and divorce, we don't find evidence that overall rates shifted in response to the Great Recession. Given the severity of the Great Recession, individuals and families cer-

FIGURE 3. Percentage of young adults living with their parents or grandparents (log scale)



Notes: Vertical bars show recession periods. Each point represents the average of the monthly estimates for March through September.

Source: Current Population Survey.

tainly responded but there seems not to be a consistent response (such as postponing marriage) that would alter aggregate rates.

On the other hand, we do find that the proportion of young adults living with their parents has increased since the start of the recession, an increase that we've shown (in analyses not presented here) to be pervasive across socioeconomic groups. We also find a recession effect on fertility. Fertility rates fell in 2008, 2009, and 2010 nationwide; the declines were strongest in states that were hardest hit by the recession.

We've also cautioned that, even when a recession effect is to be found, it isn't necessarily a simple mechanistic one in which the objective circumstances of the situation are dispassionately evaluated. For example, we've found that the effect of the recession varied by the politics of the state (i.e., how "red" or "blue" it is), which makes the important point that our family behaviors depend on how we evaluate the economic situation. We evidently adjust our family behaviors to align with our expectations regarding how severe the downturn is, how long it will last, and how robust the eventual upturn will be. This leads us to conclude that recessions can produce consistent behavioral responses when the underlying material conditions deteriorate *and* when the population perceives these conditions as problematic or threatening.

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# Can the Newly-Reelected Obama Save the American Public School?

A Conversation between William Julius Wilson and Sylvie Laurent

**T**he American public school remains in a state of crisis. Even as this crisis plays out, reform-minded Americans continue to view the public school as a main lever for change, the object of all their hopes for reducing poverty and equalizing opportunity in the United States.

Can the public school ever realize such lofty aspirations? In a bold move, the federal government is investing \$4.3 billion in an “educational New Deal,” a thorough reform that involves the mainstreaming of charter schools. This program promises fundamental change in the way American schools, both public and semi-public, operate.

The key question of our time: Will this reform deliver on the aspirations behind it? We’ve asked sociologist William Julius Wilson and French cultural historian Sylvie Laurent, both affiliated with the W.E.B. Du Bois Institute at Harvard University, to take on this question. The following is an excerpt of their ongoing conversation about the proper balance between efficiency and equal opportunity in undertaking public school reform. Although *Pathways Magazine* does not ordinarily publish opinion pieces, this is a topic of such fundamental importance that we think it warrants the publication of a back-and-forth conversation of this sort, in which the opinions, as you’ll see, are closely and properly rooted in the facts.

**SL:** The absence of a centralized system of education in the United States indicates that public education is not considered to be a crucial element of the welfare state. If public education is understood to be a fundamental priority, then the nation-state simply has to organize how it's delivered and ensure that certain key commitments, especially those pertaining to equal access, are met. Although I understand the urgency of reform, I am not at ease with the carrot-and-stick approach to educational rehabilitation that Obama's policies embrace, especially in the absence of measures requiring resource equity across public schools.

The main reason U.S. schools rank poorly on international assessments is simply that average test scores for students of color are poor. The assumption that the American school system is a complete failure is actually inaccurate. The poorest schools, which are also the most segregated and lowest-performing schools, are the real problem. Penalizing these "failing" schools, which the current administration supports, entails punishing poor students twice.

This punitive approach is all the more unfair to the poorest American schools when they have been suffering most under the current economic downturn. In recent months, many California teachers have been laid off, and studies show that the poorest districts are disproportionately affected by such budget cuts. To be sure, President Obama has tried to mitigate teachers' layoffs, but his Race to the Top program does not redistribute resources from the most to the least advantaged.

So here's my question to you: Given that you have worked for years on urban marginalization and the need for public voluntarism to overcome it, don't you think this failure to invest in our least-advantaged students is the real issue?

**WJW:** There are many explanations for the particularly dramatic miseducation of students of color in concentrated poverty areas. Not too long ago, the education scholar Jean Anyon outlined her vision for a more comprehensive vision of school reform, one in which we move beyond attempts to change only the educational system to one in which we address more fundamental problems in the city environment itself. You're echoing Anyon's main argument, that in the absence of a long-range strategy to eradicate the underlying causes of racial isolation and poverty, efforts to reform urban public schools cannot be very effective. Although I agree with Anyon that improving the life chances of inner-city residents would lead to improvements in inner-city public schools, we can also make headway by implementing the right educational policies even while we are working on reforming the larger urban society.

Simply put, we cannot wait to improve the life chances of inner-city residents to upgrade city schools. Recent systematic


randomized studies of public charter schools in Boston and New York provide the most compelling evidence that schools can elevate the success of poor students and students of color independent of a comprehensive reform of the larger society. I am an advocate of public charter schools that operate independently of the local school board and that often feature a curriculum and educational philosophy different from the other schools in the public school system. Overcoming institutional entrenchment should be one of our primary objectives if we are committed to combating inequality in education. And that is exactly what Obama and Arne Duncan, our Secretary of Education, are trying to do by promoting the growth of public charter schools and incentive programs, such as Race to the Top.

**SL:** I understand that public charter schools can temporarily address such entrenchment, provided that they are supported long enough to do so. Public charter schools are often proposed as quick fixes, and given the political neglect of traditional schools, charters are likely to be a Trojan horse with respect to a public sector that is currently under siege. Elected "reformers" are pushing new legislation to limit the power of labor unions; Chris Christie epitomizes this trend. My concern is that ideology is disguised as expertise and that an ultraconservative agenda is masquerading as reformism. From Linda Darling Hammond (who was Obama's counselor on education during the 2008 campaign) to the NAACP, most progressives would rather see a "Marshall Plan" for education. Inner-city schools might well be, whatever their shortcomings, the ultimate safety net for young Blacks and Latinos.

**WJW:** Over the past several decades, ever since I read Kenneth Clark's *Dark Ghetto*, I have been angry about what is happening to poor students of color in these schools. The atmosphere in many ghetto schools is deadening. What Clark said back in 1965 is still true today. Clark pointed out that kids in these ghetto schools "do not learn because they are not being taught effectively; and they are not being taught because those who are charged with the responsibility of teaching them do not believe that they can learn, do not expect that they can learn, and do not act toward them in ways that help them to learn."

Democrats have given lip service to improving public education but have not taken the necessary steps to address the problem seriously because teachers' unions overwhelmingly support Democratic candidates. In other words, Democrats have supported attempts to improve education as long as they preserve union power and influence. This was indeed the situation before Barack Obama became President of the United States and Arne Duncan, a brilliant and dedicated man who





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effectively fought teachers’ union restrictions in Chicago, was appointed Secretary of Education. Recognizing that for decades we have heard arguments about the need to reform urban public schools, including the need to diffuse high-performing public charter schools, Obama and Duncan moved in a different direction. As far as a “Marshall Plan,” don’t forget that their first move was to use some of the \$100 billion from the economic stimulus package for education to promote reforms in public schools.

**SL:** You’re very right on this last point. But let me explain my concern about Duncan’s rhetoric of “accountability.” The current administration might be right in reaffirming the need for accountability, but what is needed is accountability that monitors equitable funding, not teacher performance. The general philosophy, even more than during the Bush administration, is that “bad” teachers must be penalized and fired without restriction. As recent surveys in New York school districts illustrate, even teachers who apply state-of-the-art methods and accept merit pay are not omnipotent. They cannot address the most basic issues confronting underperforming poor students. I taught in public schools located in the marginalized banlieue for years before becoming a scholar, and this undertone of “blaming the teacher” bothers me.

**WJW:** It should not. There is a real problem here. As Arne Duncan pointed out to me when he was appointed CEO of the Chicago Public Schools by Mayor Daley, prior to his appointment as Secretary of Education in the Obama administration, many ghetto schools have become dumping grounds for the most incompetent teachers. What further angered me is that teachers’ unions—which are primarily committed to protecting teachers, even the most incompetent and undedicated teachers—have often blocked efforts at school reform that weaken union prerogatives. Accordingly, many incompetent, lazy, and undedicated teachers are safe in their jobs because they are protected by seniority and union rules. Meanwhile, many younger and often more dedicated teachers become frustrated because teachers are rewarded by seniority, not actual performance in the classroom, and drop out of the system altogether.

One of the ways Obama and Duncan put pressure on schools to reform was to increase competition among public schools—to make them more accountable by encouraging, among other things, the growth of public charter schools. And they had the leverage to effect change—tens of billions of dollars. They promptly informed the states that if any of them put a cap on

the growth of public charter schools, funds would be withheld. What charter schools have in common is that they are independent and fairly autonomous and therefore can pay teachers on the basis of performance or duties, as opposed to traditional pay scales that put the spotlight on seniority and credentials; and they all have an extended school day and a long school year. These federal education reforms therefore forced changes to the rules of engagement among teachers’ unions, school administrators, and state and local officials, and set the stage for the formation of broad-based coalitions that may yield tangible results.

**SL:** Look, some public charter schools in the ghettos of New York and Los Angeles or in the suburbs of Milwaukee do, it indeed seems, a remarkable job. Dedicated and well-paid teachers are able to work miracles with pupils previously denied any future. I admire and support Geoffrey Canada’s “cradle to grave” approach to education, and I fully understand President Obama when he seeks to replicate such comprehensive social services with “Promise Neighborhoods.” But when economists Will Dobbie and Roland G. Fryer, Jr., conclude in a 2009 study that the social programs in the Harlem Children’s Zone do not have a significant effect on student performance, I am confounded. Harlem and Chicago are famous for having become laboratories of educational policy. Social scientists find them a great site for free experimentation, but are they truly accountable?

**WJW:** Of course! Some public charter schools have proven to be quite efficient and accountable. Take the public charter schools in New York City. Caroline Hoxby, the Stanford economist, was the lead investigator in the study of the New York public charter schools. The distinctive feature of the study by Hoxby and her colleagues is that they were able to estimate the effects of the New York charter schools on achievement by using the “gold standard” method of lotteries. Better yet, because 94 percent of charter school students in New York City participated in a random lottery for school assignment, this method allows us to speak broadly about the overall performance of charter schools.

Hoxby and her colleagues found that, on average, a student who attended a charter school from the kindergarten to the eighth grade closed about 86 percent of the “Scarsdale-Harlem” achievement gap in math and 66 percent of the gap in English (with the “Scarsdale-Harlem” gap referring to the point spread between poor students of color in Harlem and White students in the affluent suburbs of New York). By contrast, the lottery losers

who remain in the traditional public schools stay at grade level, but only bring about minor reductions in the Scarsdale-Harlem achievement gap.

**SL:** But what happens to traditional public schools, which will remain the norm and will have to accept those who cannot go anywhere else? Duncan's extensive reliance on charter schools brings up the following question: What do we do with the rest of the schools that face all the constraints but that benefit from none of the charter school assets?

**WJW:** This question, indeed a very good one, features the claim that public charter schools are pulling some of the better students from traditional public schools and leaving behind other students in subpar academic institutions. The answer to this question is that the creation of public charter schools puts pressure on traditional public schools to reform. This is clearly revealed in Boston, where the growth of successful public charter schools triggered a historic public education reform law. This law includes, among other things, a new pay-for-excellence plan that allows the Boston Public Schools to grant special rewards to exceptional teachers and grants principals in turnaround schools the authority to adopt schedules that best address the needs of the students and to choose the best teachers across the school district.

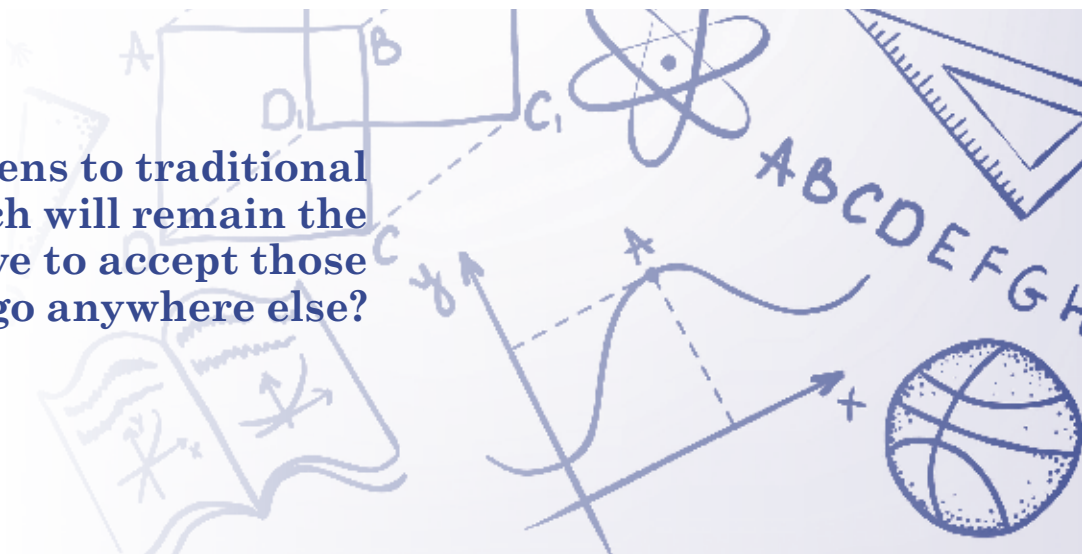
**SL:** That sounds nice in theory, but what happens in practice? Mayor Bloomberg and his former school superintendents Joel Klein and Cathleen Black in New York City shut down more than 100 schools in eight years. Or look at Washington, D.C., where Michelle Rhee, the former superintendent and chancellor, who was appointed by former mayor Adrian Fenty, pursued these policies for two years, closing schools she deemed "inefficient" and to be fighting union power. Rhee maintained that the best way to overhaul schools was to monitor the "performance" of teachers. She managed to snatch an agreement with teachers' unions in which they gave up job security and agreed to be evaluated in exchange for an increase of their wages. But this point-and-blame policy resulted in the dismissal of 241 of the 4,000 teachers, and 737 other instructors were put on notice with a "minimally effective" rating. Is this really what Obama and Duncan want to encourage?

**WJW:** Michelle Rhee got the Washington, D.C., Council to raise teacher salaries based not on traditional seniority protections, but on results in the classroom. Moreover, the accord provided for a "performance pay" system with \$20,000 to \$30,000 annual bonuses for teachers who meet certain standards, including growth in test scores. Prior to the introduction of this system, teachers were rarely dismissed because of poor performance. And prior to the introduction of this system, only 12 percent of the eighth graders in the Washington, D.C., public schools were reading at grade level, and fewer than half of the students were proficient on district math and reading tests. Yet nearly 95 percent of all teachers were rated "meets expectations" or higher.

Although Rhee eventually resigned following the defeat of Mayor Adrian Fenty, the innovative reform policies she introduced remain in place. In 2011, 16 percent of Washington, D.C., teachers received ratings of "highly effective" and were thus eligible to receive performance bonuses of up to \$25,000. Seven percent of these educators were rated highly effective for the second year in a row and, in addition to the annual bonuses, were eligible for base-salary increases of up to \$20,000. Sixty-nine percent received ratings of effective, nine percent were judged minimally effective for the first time, and about 200 teachers were dismissed either because they were rated minimally effective twice or because they received a rating of ineffective. Of the teachers who were rated minimally effective last year, and stayed in the system, more than half improved their ratings to either "effective" or "highly effective" in 2011. This is a great example of overcoming institutional entrenchment and finally making teachers accountable for the performance of students in the classroom. It is interesting to note that 80 percent of the teachers in the District of Columbia school system voted to pass the district contract that Rhee helped to put in place, a contract that was finalized after two-and-a-half years of negotiation with the Washington Teachers' Union.

**SL:** Your unconditional support of Rhee surprises me. Isn't top-down authoritarian decision-making doomed to alienate people? Even if you think that the pitiful state of Washington, D.C. schools demanded rigorous shock therapy, you cannot dismiss the feelings of voters (and particularly Black voters), as expressed in the

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## As civil rights leaders pointed out, no elected official who is serious about addressing academic inequality can deny that social and racial discrimination have to be addressed through strong education funding and reform.

most recent election. Mayor Fenty failed to win re-election! I appreciate that this election was not strictly a referendum on Rhee, but the majority of Black voters resented Rhee's reform. Interestingly, a Washington Post poll indicated that 54 percent of Black voters said they would not vote for Fenty because of Rhee, while 68 percent of Whites said Rhee's reforms were the reason they were voting for Fenty. It seems to me that the people of Washington expressed a desire to be heard. The same thing is happening in New Orleans right now, where angry African American parents and educators feel disenfranchised by what's happening to their public schools. Poor Black and Latino communities statewide probably don't think they need Ivy League-educated do-gooders telling families what is best for them. The practice of democracy in marginalized communities is at stake. People are not ignorant. If they cling to their public school, there is a reason that goes beyond test scores and the blame game.

**WJW:** Why did 54 percent of the Black voters in Washington, D.C., say they would not vote for Mayor Fenty because of Rhee? Your answer: "The truth is a majority of them resented Rhee's reform." I have an entirely different interpretation. They were not fully informed about Rhee's accomplishments. You can't make wise decisions if you don't have good information. As we have so clearly seen with the recent conservative Republican upsurge in the United States, public opinion can also be manipulated.

Black public opinion was effectively manipulated in Washington, D.C. Let me elaborate. Unfortunately, Mayor Adrian Fenty did not take the time to inform the Black community about Rhee's accomplishments and explain fully why he was so supportive of her. A former mayor of a large East Coast city told me that, in his opinion, this was Mayor Fenty's downfall. Fenty made little attempt to communicate directly with community leaders, ministers, and families in the Black neighborhoods of Washington, D.C., about Rhee's accomplishment and about the significant educational advances of African American students during her tenure. Mayor Fenty often discussed his accomplishments with business leaders, academics, and the editorial writers of the *Washington Post* and the *Washington Times*, but to his detriment, he did not go directly to the members of the Black community, even though he was urged to do so by some of the officials in his administration. Meanwhile, Vincent Gray,

who defeated Fenty in the Democratic primary, fanned throughout the Black community with his version and interpretation of Rhee's activities and accomplishments.

**SL:** When it comes to talking about race, what I see is that Rhee purposely ignored how poverty played out in most Black schools. When it comes to charter schools and the Obama-Duncan reforms, it seems we will have to agree to disagree. Countrywide, inner-city schools and poor suburban schools experience the most disproportionate school failure rates. As civil rights leaders pointed out, no elected official who is serious about addressing academic inequality can deny that social and racial discrimination have to be addressed through strong education funding and reform. Could the overrepresentation of charter schools in low-income and predominantly minority communities be the answer? Years ago, you suggested that in order to be publically tolerated, targeted social measures for Blacks and Latinos had to proceed in disguise. Educational policies and politics are so intertwined since Obama's election that I have to wonder: Is there, in your eyes, something close to a "hidden agenda" behind the reform that also explains your support of it?

**WJW:** As a progressive, I never thought that I would end up supporting such efforts at educational reform as the promotion of public charter schools and Obama's Race to the Top initiative. But I have become sick and tired of the miseducation of so many students in our public schools, especially students of color. Despite decades of federal support, public education continued to deteriorate primarily because such massive funding did not confront the problem of institutional entrenchment. Because of the Obama Administration, and the creative efforts of Secretary Arne Duncan, we finally have weapons to overcome institutional entrenchment. For the first time in my academic career, I am hopeful that the educational neglect of millions of disadvantaged students has a chance to be effectively addressed.

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