

6-21-1986

Poverty Amid Renewed Affluence: The Poor of New England at Mid-Decade

Andrew M. Sum
Northeastern University

Paul E. Harrington
Center for Labor Market Studies

William B. Goedicke
Center for Labor Market Studies

Robert Vinson
Massachusetts Division of Employment Security

Follow this and additional works at: <https://scholarworks.umb.edu/nejpp>



Part of the [Labor and Employment Law Commons](#), [Social Welfare Commons](#), and the [Women's Studies Commons](#)

Recommended Citation

Sum, Andrew M.; Harrington, Paul E.; Goedicke, William B.; and Vinson, Robert (1986) "Poverty Amid Renewed Affluence: The Poor of New England at Mid-Decade," *New England Journal of Public Policy*. Vol. 2: Iss. 2, Article 3.

Available at: <https://scholarworks.umb.edu/nejpp/vol2/iss2/3>

This Article is brought to you for free and open access by ScholarWorks at UMass Boston. It has been accepted for inclusion in New England Journal of Public Policy by an authorized editor of ScholarWorks at UMass Boston. For more information, please contact scholarworks@umb.edu.

Poverty Amid Renewed Affluence:

The Poor of New England at Mid-Decade

Andrew M. Sum
Paul E. Harrington
William B. Goedicke
Robert Vinson

This article examines the problem of poverty in New England during the current period of economic prosperity. Major trends in the size and composition of the poor population within the region are analyzed. Striking changes in the relative incidence of poverty have occurred among families in New England. As the economy has moved toward full employment, poverty rates among husband-wife families in the region have fallen sharply. In contrast, female-headed families in New England have not benefited substantially from recent rapid increases in employment opportunities. The result has been a persistent trend toward the feminization of poverty in New England. The bulk of poor female family heads are of working age and could potentially be brought into the region's work force. However, education and training services that can successfully attack fundamental barriers to labor force participation must be delivered to these women. Programs designed to overcome low levels of educational attainment and deficient basic skills must be combined with child care and other social services in order to further reduce overall poverty rates across the New England region.

During the first half of the 1980s, the New England economy performed extraordinarily well, both on an absolute basis and relative to the rest of the United States. The economy of our region, along with that of individual states within it, has been the focus of an increasing number of media reports and studies and commentary by political leaders and public officials. *Business Week* recently noted that New England is the "in" spot in business. The "rebirth" of the region's economy has been heralded, and frequent references have been made

Andrew Sum is an associate professor in the Department of Economics at Northeastern University and director of the Center for Labor Market Studies. Paul Harrington is associate director of the Center for Labor Market Studies. William Goedicke is a research associate in the center. Robert Vinson is director of the Field and Research Service for the Massachusetts Division of Employment Security.

to the “economic miracle” of Massachusetts and the “economic renaissance” of Boston.¹

While some claims about the New England economic miracle are exaggerated, one has to recognize that substantial progress has been achieved in reducing overall unemployment and in raising the average incomes of residents of our region.² As the data in table 1 indicate, the annual average unemployment rate of the region was only 4.4 percent during 1985. (All of the data utilized in this article were derived from the March 1985 supplement to the Current Population Survey, a monthly sample of households conducted by the U.S. Bureau of the Census.) This rate was nearly three full percentage points below that of the nation (7.1 percent), and the gap between the unemployment rates of the region and those of the entire country has been enlarging fairly steadily over the past six years. The median income of families in New England rose by 49.2 percent between 1979 and 1984, while the median income of all families in the United States increased by only 35 percent. Adjusting for inflation, the real median income of New England families rose by nearly 6 percent between 1979 and 1984, while that of the nation actually declined.³ Per capita incomes of New England residents rose even faster than did median family income between 1979 and 1984. The growth in per capita incomes of New England residents was 61.0 percent, versus 47.6 percent for the nation as a whole.⁴

The existence of a full or “near full” employment economy in the New England region during recent years clearly has enabled many families and individuals to increase their purchasing power over goods and services. While the “typical” family appears to have been faring quite well in recent years, it would seem highly desirable to determine whether these favorable labor market developments have enabled more families at the bottom of the income ladder to escape from the ranks of the poor. As President Franklin D. Roosevelt remarked nearly fifty years ago, the true test of an economy’s performance is how much it has contributed to the economic well-being of those at the bottom of the income distribution.⁵

Table 1

Recent Trends in Unemployment Rates, Median Family Incomes, and Per Capita Incomes of New England and the U.S., 1979 to 1984-1985

| Geographic Area | Annual Average Unemployment Rates (in percentages) | | Percent Change |
|-----------------------|-------------------------------------------------------|----------|-------------------|
| | 1979 | 1985 | |
| New England | 5.4 | 4.4 | - 18.5 |
| U.S. | 5.8 | 7.1 | + 22.4 |
| Median Family Incomes | | | |
| New England | \$20,724 | \$30,929 | 49.2 |
| U.S. | \$19,587 | \$26,433 | 35.0 |
| Per Capita Incomes | | | |
| New England | 8,958 | 14,429 | 61.0 |
| U.S. | 8,651 | 12,772 | 47.6 |

Poverty Concepts and Measures

The most frequently used measure of family income inadequacy in the United States is that of the “poverty line.”⁶ The existing family poverty guidelines of the federal government have been in place for more than twenty years. Most of the initial work on the establishment of these guidelines was conducted by research staff within the Social Security Administration, under the leadership of Mollie Orshansky, during 1963 and 1964. The poverty guidelines do take into consideration the size of the family; however, with regard to Alaska and Hawaii, they do *not* take into account regional variations in the cost of living. The poverty guidelines are updated by the federal government’s Health and Human Services Department each year to reflect changes in the cost of living as measured by the U.S. Consumer Price Index (CPI). Data on the family income cutoff points that are used to determine the poverty status of families in the nation and in the New England region are presented in table 2.

As just noted, the official poverty lines of the federal government do vary by the size of the family. During calendar year 1984, the poverty line for a family of two was only \$6,762, while for a family of four it was \$10,609. Any family with a *total cash income before taxes* falling below this poverty line is considered “poor.” This cash income concept is the same as the one used in measuring median family incomes and includes all forms of property income, income from self-employment, cash public assistance income, child support payments, and retirement income, as well as wages and salaries.

Before we review our estimates of the numbers and characteristics of poor families in the New England region during recent years, we should examine the relationships between the poverty line and the median incomes of families in the nation and New England in 1984. The poverty guidelines developed by the federal government are based on an *absolute definition of poverty*, not on a relative definition. In determining the number of families that are poor at any point in time, we simply compare the total cash income of a family of a given size during

Table 2

Weighted Poverty Thresholds and Median Money Incomes of Families in the U.S. and New England by Family Size as of 1984
(numbers in current dollars)

| Geographic Area | Family Size | (A) | (B) | (C) |
|-----------------|-------------|--------------|---------------|---------------------------------------------|
| | | Poverty Line | Median Income | Poverty Line as Percentage of Median Income |
| U.S. | 2 | 6,762 | 22,070 | 30.6 |
| | 3 | 8,277 | 27,181 | 30.5 |
| | 4 | 10,609 | 31,097 | 34.1 |
| | 5 | 12,566 | 30,777 | 40.8 |
| | 6 | 14,207 | 28,081 | 50.6 |
| New England | 2 | 6,762 | 25,150 | 26.9 |
| | 3 | 8,277 | 31,936 | 25.9 |
| | 4 | 10,609 | 36,089 | 29.4 |
| | 5 | 12,566 | 36,075 | 34.8 |
| | 6 | 14,207 | 42,100 | 33.7 |

a specific calendar year with the appropriate poverty line for a family of that size. Again, the poverty line is only adjusted annually to take into account changes in the cost of living as measured by the CPI. The federal government does *not* adjust the poverty line to take into account changes in the median incomes of families throughout the nation. A poverty line based on a *relative concept of poverty* would make such types of adjustments.

As we have seen, the poverty line for a family of four in the continental United States in 1984 was \$10,609. As the data in column C of table 2 reveal, the poverty line for a family of four was equal to only 34.1 percent of the median income of all families containing four persons in the United States. Even lower ratios held true for families of two and three persons in the United States during 1984. These ratios are sharply lower than those prevailing in 1964, when the official poverty guidelines were first introduced. The poverty line for a nonfarm family of four in 1964 was \$3,169, which was equivalent to nearly 42 percent of the 1964 median income of families containing four persons. Thus, the poverty line in 1984 represents a lower fraction of the median incomes of families containing two, three, or four persons than it did twenty years earlier. Poverty in the United States, thus, represents a greater degree of relative deprivation for families in 1985 than it did in prior years, particularly during the latter half of the 1960s. These findings appear to hold even more forcefully for families in New England. During 1984, the poverty lines for families of two, three, and four persons were equal to only 26.9 to 29.4 percent of the median incomes of families of the same size. Being poor in New England in 1985 means having access to a cash income flow that is on average 30 percent the size of that received by the typical family in practically each family size group.⁷

Trends in Poverty Rates Among Families

Data on trends in the rates of poverty among families in New England, the United States, and each of the New England states during the 1969–1984 period are presented in table 3. The data for the years 1969 and 1979 are based on the

Table 3

**1984 Trends in the Poverty Rates of Families in the
U.S., the New England Region, and Individual
New England States**
(numbers in %)

| Geographic Area | 1969 | 1979 | 1984 | Percentage Point Change, 1969-1979 | Percentage Point Change, 1979-1984 |
|-----------------|------|------|------|------------------------------------------|------------------------------------------|
| U.S. | 10.7 | 9.6 | 11.6 | - 1.1 | + 2.0 |
| New England | 6.7 | 7.4 | 7.3 | + .7 | - .1 |
| Connecticut | 5.3 | 6.2 | 5.9 | + .9 | - .3 |
| Maine | 10.4 | 9.8 | 10.1 | - .6 | + .3 |
| Massachusetts | 6.2 | 7.6 | 7.1 | + 1.4 | - .5 |
| New Hampshire | 6.7 | 6.1 | 5.1 | - .6 | - 1.0 |
| Rhode Island | 8.5 | 7.7 | 11.3 | - .8 | + 3.6 |
| Vermont | 9.1 | 8.9 | 9.6 | - .2 | + .7 |

findings of the decennial Censuses, while the 1984 data are based upon an analysis of the March 1985 Current Population Survey data. The CPS included interviews with 3,432 New England families during March 1985.⁸ Between 1969 and 1979, the poverty rate among families in New England actually increased, from 6.7 to 7.4 percent. This trend was dictated by rising poverty rates in Connecticut and Massachusetts and represented the reverse of what was taking place in the country as a whole. The simultaneous rise in the poverty rate among families in New England and the decline in poverty among U.S. families led to a fairly sharp reduction in the poverty rate differential in New England and the nation over the decade of the seventies.⁹ In 1969, the poverty rate among families in New England was 4.0 percentage points, or 37 percent, below the poverty rate of families throughout the United States. By 1979, the absolute size of the differential between the poverty rates of families in New England and the nation had declined to 2.2 percentage points, or 23 percent.

The decline in the absolute and relative size of the differential between the poverty rates of families in New England and the nation was influenced by labor market developments during the 1970s. During most of the seventies, unemployment problems were more severe in New England than in the country as a whole, and overall growth in the number of employed persons in the region was far below the U.S. figure. For example, payroll employment expanded much more rapidly in the nation during most of the seventies than it did in New England. Between 1973 and 1979, New England's share of the total number of U.S. non-agricultural wage and salary jobs fell by 3 percent, and our per capita income advantage fell from 9 percent in 1970 to 2 percent by 1977.¹⁰

During the past five years, the incidence of poverty among families in New England has remained basically constant, falling to 7.3 percent during 1984.¹¹ This slight decline, however, stands in sharp contrast to developments in the nation during the same time period. During 1984, 11.6 percent of all U.S. families had incomes that fell below the poverty line. While this family poverty rate was slightly below that of the previous calendar year (12.4 percent), it remained two full percentage points higher than the poverty rate of 1979. As a result of these divergent trends, the size of the poverty differential between New England and the nation widened from 2.2 percentage points in 1979 to 4.3 percentage points in 1984. By 1984, the poverty rate among families in New England was only 63 percent as high as that of the nation, a relative rate of poverty identical to that prevailing in 1969. Strong growth in wage and salary employment opportunities and low rates of unemployment in the region were key factors in producing the observed decline in the number of poor families in recent years. This decline, however, has not been uniform for all subgroups of families. Husband-wife families have been far more successful than female-headed families in their attempts to escape from the ranks of the poor in our region in recent years.

The Composition of Poor Families

The probability of a family being poor in either New England or the United States has varied systematically over the past twenty years. Poverty families have a number of characteristics that differ markedly from those of nonpoor families, and the size of these disparities has tended in a number of key instances to in-

Table 4

**1984 Poverty Rates of Families in the U.S.,
the New England Region, and Each of the
New England States, by Type of Family**
(numbers in %)

| Geographic Area | Husband-Wife Families | Female Head, No Husband Present | Male Head, No Wife Present |
|-----------------|--------------------------|---------------------------------------|----------------------------------|
| U.S. | 6.9 | 34.5 | 13.1 |
| New England | 2.8 | 27.9 | 12.3 |
| Connecticut | 1.8 | 21.3 | 23.9 |
| Maine | 5.0 | 42.6 | 13.8 |
| Massachusetts | 2.5 | 27.6 | 7.8 |
| New Hampshire | 2.5 | 22.3 | .0 |
| Rhode Island | 4.6 | 32.0 | 19.0 |
| Vermont | 5.6 | 35.7 | .0 |

crease in recent years. To illustrate several of these differences, we have prepared a set of tables that provide information on the incidence of poverty by family type, age of family head, race/ethnic group of family head, and number of earners per family. Knowledge of the characteristics of poverty families, the nature of their income inadequacy problems, and the barriers to their employment is critical to all state efforts to reduce, if not eliminate, the problem of poverty in New England during the remainder of this decade.

Table 4 provides data on the incidence of poverty in 1984 among families in the nation, New England, and each of the New England states by type of family. We have classified families into one of the following three categories: husband-wife families, families headed by a female with no husband present, and families headed by a male with no wife present. The findings reveal that in the aggregate New England families in each category experienced poverty rates below those of their counterparts in the country as a whole. Husband-wife families in New England tended to be in the most favorable position relative to all other families in the region and to husband-wife families in the nation. The poverty rate among husband-wife families in New England during 1984 was only 2.8 percent, and the poverty rate among such families was 2.5 percent or less in Connecticut, Massachusetts, and New Hampshire. This rate was only 40 percent as high as that for all husband-wife families in the country. Connecticut, Massachusetts, and New Hampshire, in particular, have come close to eliminating poverty among families in which a husband-wife couple reside. The shift toward a full employment economy and the existence of an above-average number of multiple-earner families in our region have facilitated a major reduction in the number of husband-wife families with incomes below the poverty line.¹²

In New England as a whole, female-headed families with no husband present and male-headed families with no wife present also experienced rates of poverty below those of their respective counterparts across the nation; however, the relative sizes of these differentials tended to be far smaller than the differential prevailing for husband-wife families throughout the region. For example, the poverty rate among New England female-headed families with no husband present was 27.9 percent. This rate of poverty was below that of all female-headed families

throughout the nation (34.5 percent); however, the relative size of the differential was only 20 percent. The strong growth in wage and salary employment has clearly been of less benefit to female-headed families in New England than to husband-wife families in the region, since fewer of them have managed to escape from the ranks of the poor. The CPS data are not sufficiently longitudinal in nature to explain whether this result is due to lower transition rates out of poverty or to a higher new entry rate into poverty among female-headed families.

During the past fifteen years, the composition of poor family heads in New England has changed markedly. There has been a persistent trend toward the feminization of poverty among families in our region.¹³ The probability that a single-parent family headed by a woman will be poor has been gradually rising relative to the probability of poverty among husband-wife families in New England. Similar trends have been taking place throughout the United States, though at a slower rate than in New England, reflecting the more severe unemployment problems outside of our region which have pushed more husband-wife families into poverty. Data on the relative size of these differences in poverty rates are presented for families in the nation, New England, and each of the New England states in table 5. As the table shows, during 1984 the probability of a single-parent, female-headed family in New England being poor was *ten times* higher than that for husband-wife families in the region. Also during that year, single-parent, female-headed families in the United States were *five times* more likely than husband-wife families to be poor; however, this relative difference was only one-half as large as the relative difference prevailing within our region.

The growing number of single-parent families headed by women, combined with the widening disparities in poverty rates between husband-wife families and single-parent, female-headed families in New England, has accelerated the feminization of poverty among families in the region.¹⁴ While this trend has been widely recognized and commented on by poverty analysts throughout the nation, its greater applicability to New England has not received the attention it deserves

Table 5

**Ratio of Single, Female-Headed Family Poverty Rates
to Husband-Wife Family Poverty Rates in
the U.S., the New England Region, and Individual
New England States as of 1984**

(numbers in %)

| Geographic Area | (A) | (B) | (C) |
|-----------------|--------------------------|---------------------------------------|------------------------------------------------------------|
| | Husband-Wife Families | Female Head, No Husband Present | Ratio of Poverty Rates (col. B divided by col. A) |
| U.S. | 6.9 | 34.5 | 5 to 1 |
| New England | 2.8 | 27.9 | 10 to 1 |
| Connecticut | 1.8 | 21.3 | 11.8 to 1 |
| Maine | 5.0 | 42.6 | 8.5 to 1 |
| Massachusetts | 2.5 | 27.6 | 11 to 1 |
| New Hampshire | 2.5 | 22.3 | 8.9 to 1 |
| Rhode Island | 4.6 | 32.0 | 7 to 1 |
| Vermont | 5.6 | 35.7 | 6.4 to 1 |

Table 6

**Poor Female-Headed Families as a Percentage of
All Poor Families in the U.S., the New England
Region, and Individual New England States,
1969, 1979, and 1984**

(numbers in %)

| Geographic Area | 1969 | 1979 | 1984 |
|-----------------|------|------|------|
| U.S. | 32.8 | 43.8 | 48.1 |
| New England | 39.8 | 53.0 | 63.2 |
| Connecticut | 44.4 | 59.4 | 63.0 |
| Maine | 29.7 | 37.4 | 54.2 |
| Massachusetts | 42.7 | 56.2 | 67.8 |
| New Hampshire | 31.4 | 44.4 | 58.8 |
| Rhode Island | 42.1 | 56.8 | 63.3 |
| Vermont | 25.9 | 37.4 | 52.1 |

for antipoverty policy-making efforts. Table 6 illustrates basic trends in the feminization of poverty between 1969 and 1984 in the United States, New England, and each of the New England states.

During 1969, approximately 40 percent of all poor families in New England were single-parent families headed by a woman. The size of this ratio varied by state, ranging from a high of over 44 percent in Connecticut to a low of about 26 percent in Vermont. The New England ratio exceeded by 21 percent the ratio prevailing in the nation as a whole that year. During the decade of the 1970s, the rise in the number of female-headed families in poverty was sufficiently large to make single-parent families headed by women a majority (53 percent) of all poverty families in the region. This ratio again was 21 percent higher than the U.S. ratio. During the first half of the 1980s, the feminization of poverty among families in New England has accelerated. During 1984, over 63 percent of all poor families in New England were female-headed, and such families constituted a majority of the poor in each New England state. This ratio was now 31 percent above that for the nation as a whole.

While the poverty problems of female householder families with no husband present remain the dominant family poverty problem in New England, it must be recognized that the severity of such problems varies substantially in accordance with the level of formal education attained by the householder and the presence of children in the home. Table 7, on page 14, provides relevant findings on this issue. The poverty rate among all female householder families in New England varied from a high of almost 45 percent for those families headed by an individual lacking a high school diploma to almost 22 percent for high school graduates and slightly over 17 percent for college graduates. The presence of dependent children under age eighteen has a major effect on the poverty rate. Among female householder families with no children under age eighteen, only 7.4 percent were poor, with the size of these ratios varying from 16 percent for those female householders without a high school diploma to 2.1 percent for those with college degrees. Among those female householder families with two or more dependent children under eighteen years of age, the poverty rate was 50 percent, and the rates varied from 74 percent for those lacking a high school diploma to 28.5 percent for those with a college degree.

Table 7

| 1984 Poverty Rates of New England Female Householder Families, No Male Spouse Present, by Years of Formal Schooling Completed (numbers in %) | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------|-------|---------------|-------------------------------------------------|
| Female-Headed Families | Less than 12 Years | 12 years | 13-15 | 16 or More | All, Regardless of Educational Attainment |
| All, regardless of number of children | 44.9 | 21.9 | 18.9 | 17.2 | 27.9 |
| Number of children under 18 | | | | | |
| None | 16.0 | 4.1 | .0 | 2.1 | 7.4 |
| One | 54.2 | 24.2 | 21.8 | 29.2 | 31.4 |
| Two or More | 74.0 | 42.9 | 30.3 | 28.5 | 50.0 |

The feminization of poverty in New England has tended to alter the nature of the poverty problem and the characteristics of the poverty population in several important respects. First, a relatively high fraction of poor, female family heads (70 percent) have had *no* recent attachment to the labor force.¹⁵ A growing portion of the family poverty population is thus comprised of the “dependent poor,” the majority of whom are dependent on public assistance payments, particularly on the Aid to Families with Dependent Children program (AFDC), to meet their basic income needs.¹⁶ Second, the vast majority of these female-headed poor families contain young children. The rise in the share of poor families with children has tended to increase the relative rate of poverty among children in New England. We will return to this issue of poverty among children later in this article.

**Poverty Rates of New England
Families by Age of Family Head**

The preceding discussions of the changing composition of poverty families in New England have focused on the structure of poor families and the gender of poor family heads. Knowledge of the age characteristics of poor family heads and the incidence of poverty among family heads in different age groups is also critical to the formulation of appropriate antipoverty strategies. If the majority of the region’s poverty families are headed by elderly persons in their retirement years (sixty-five plus), then increased reliance on *income transfer strategies* will likely be indispensable to all future efforts to reduce poverty problems. On average, only 11 percent of persons sixty-five and older in New England were actively participating in the civilian labor force during calendar year 1985.¹⁷ On the other hand, if a high and rising fraction of the state’s poverty families tends to be composed of family heads in the prime working-age groups (ages twenty-five to fifty-four), then a greater role for *labor market-oriented strategies* to combat poverty problems would seem to be called for. A comprehensive antipoverty program will contain income transfer, training and education, job placement assistance, and employment creation components; however, the appropriate mix of

such components should be based upon the characteristics of poverty family heads, their current earnings potential, and employment conditions in the local labor markets in which they reside.

During the past fifteen years, the structure of poverty rates among New England families by the age of the family head has undergone a number of important changes. In 1969, the poverty rate among New England families headed by a person sixty-five or older was 11.3 percent, a rate that was nearly 70 percent higher than that for all families in the region (6.7 percent).¹⁸ During the 1970s, major headway was made in the reduction of poverty among elderly families in New England. This reflected the trend occurring throughout the entire nation. Rising Social Security benefits for retirees, improved coverage in same for new retirees, additional financial aid to the low-income elderly through the Supplemental Security Income program, and increased private pension payments enabled an increasing share of families headed by an elderly individual (sixty-five plus) to avoid poverty. By 1979, the poverty rate of families headed by a person sixty-five or over in New England was only 5.1 percent.¹⁹ The poverty rate of families headed by persons over sixty-five years of age was thus only two-thirds as high as the rate for all families in the region during 1979. Similar favorable shifts in the relative rate of poverty among elderly families occurred throughout the United States during the decade of the seventies. As Senator Moynihan of New York has recently noted, "Poverty has almost disappeared among the aged in America. We are just about as close to eliminating poverty among the aged as we are likely to get."²⁰

Data on the 1984 poverty rates of New England families broken out by the age of the family head are presented in table 8. A review of the findings reveals strong and consistent relationships between the poverty rates of families and the age of the family head. Nearly one-third of all New England families headed by a person between the ages of sixteen and twenty-four had incomes below the poverty line during 1984. Many of these poor families are single-parent families with preschool-aged children in the home. The poverty rates of families fall consistently as the age of the family head rises, declining to 3.6 percent for families in the forty-five-to-sixty-four age group and to 3.3 percent for families headed by a person sixty-five or older.

Table 8

**1984 Poverty Rates of Families in
New England by Age of Family Head**

| Age Group | Poverty Rate |
|-------------|--------------|
| All (16 +) | 7.3% |
| 16-24 | 33.0% |
| 25-44 | 9.3% |
| 45-64 | 3.6% |
| 65 + | 3.3% |

The vast majority of the heads of poor families in New England are in the prime working-age groups. Our analysis of the age distribution of poor family heads revealed that 59 percent were between the ages of twenty-five and forty-four and 92 percent were under sixty-five years of age. The population of poor family heads in New England thus contains a substantial number of individuals who potentially can be brought into the civilian labor force and contribute to an expansion of the available labor pool in the region. Through coordinated education, training, and job placement programs, many poor family heads can achieve improvements in their earnings. Only 40 percent of all poor family heads in New England were actively participating in the civilian labor force in March 1985, and a relatively high fraction of this group of labor force participants (22.2 percent) were experiencing unemployment problems.²¹ Expanding and coordinating existing employment and training programs for poor family heads in the region should contribute in a substantive manner to further reductions in the size of the region's poverty population. Included in this effort would be such existing programs as ET Choices in Massachusetts and other Welfare Demonstration programs in four other New England states; Supported Work programs for welfare recipients; Title II-A Job Training Partnership Act (JTPA) programs; Job Service labor exchange activities; Housing Authority programs; and adult vocational education programs.²²

At the same time, employment and training policymakers throughout New England must take into consideration the problems of teenaged and other young mothers who have given birth to their children out of wedlock. These young women frequently lack high school diplomas, have serious deficiencies in basic academic skills, and have had little or no work experience. Barriers to their immediate employment are formidable, and they have traditionally been ignored by employment and training programs because of the higher risks and potentially higher costs involved in serving them.²³ Future state antipoverty efforts should place greater emphasis on their education and training needs. In the absence of any substantive assistance to improve their employability, they are at greatest risk of becoming the long-term dependent poor of the region. During 1985, approximately 40 percent of all poor female family heads were women who had never been married. Investing in teenaged and other young parents who have limited formal education and who are deficient in basic academic skills may well be one of the most effective methods for reducing poverty among families in the future. Such investments are unlikely to take place without strong state leadership on this issue in New England.

Race/Ethnic Characteristics of Poor Family Heads

The likelihood of poverty existing among families both in the United States as a whole and in New England has tended to vary considerably by race/ethnic group during the past two decades. Blacks and most other racial/ethnic minority groups have experienced family poverty problems at rates well above those of whites. For example, during 1979, the poverty rate among black families in New England was *four times* as high as it was among white families, and Hispanic families throughout the region experienced poverty problems at a rate *5.8 times* higher than that of white families.²⁴

Table 9

**1984 Poverty Rates of Families in the U.S. and
New England by Race/Ethnic Group of
Family Householder**
(numbers in %)

| Geographic Area | (A) White | (B) Black | (C) Hispanic |
|----------------------------|--------------|--------------|-----------------|
| U.S. | 9.1 | 30.9 | 25.2 |
| New England | 5.6 | 22.0 | 47.7 |
| New England as a % of U.S. | 61.5 | 71.2 | 189.3 |

To assess the success achieved by New England families in selected race/ethnic groups in obtaining incomes above the poverty line, we have examined the March 1985 CPS data on the 1984 incomes and poverty status of families in New England and the nation; our analysis of these findings is presented in table 9.

During 1984, the poverty rates of both white and black families in New England were below those of each of their respective counterparts in the nation as a whole. White families in the region, however, were far more successful than black families in achieving incomes above the poverty line. Only 5.6 percent of all white families in New England had incomes below the poverty line during 1984; this was well below the poverty rate of black families in the region (22.0 percent). During 1984, as in 1979, black families in the aggregate in New England were approximately *four times* more likely than white families to be poor.

The substantial differential between the poverty rates of white and black families in New England is the product of several different factors. One of the most important of these is the difference between the family structures of whites and blacks.²⁵ Nearly one-half of all black non-Hispanic families in New England in 1985 were headed by a woman with no husband present. The estimated poverty rate for such families was nearly 40 percent. In comparison, the poverty rate among black families with both a husband and wife present in the home was only 5 percent. The sharply higher rate of poverty among black families in New England is thus critically influenced by the above-average proportion of black families headed by women and the extraordinarily high rate of poverty among black single-parent families. Our estimates of the number of black families in New England that were living in poverty in 1985 indicate that over 85 percent of them were headed by a woman. Black husband-wife families appear to have benefited from the economic expansion in New England, especially in Massachusetts; however, gains have been more limited for single-parent black families in the region, with practically no net improvement in the poverty rate for such families between 1979 and 1984.

Data on the estimated 1984 poverty rate among Hispanic families in New England appear in column C of table 9. The rate for Hispanic families throughout the region was estimated to be 47.7 percent, indicating that nearly half of all Hispanic families living in New England during 1984 had incomes below the poverty line. This poverty rate was nearly twice as high as the rate for all Hispanic families throughout the nation and was 8.5 times higher than the poverty

rate for white families in the region. This result is particularly puzzling, since it represents a deterioration in both the absolute and relative poverty positions of Hispanic families in the region at a time when overall labor market conditions were improving. It should be noted that the sample of Hispanic families in New England that were interviewed during the March 1985 CPS survey was rather small (ninety); however, the estimated deterioration is severe and needs to be given closer attention by state and local economic policymakers, especially since the Hispanic population appears to be the fastest growing segment of the region's population, particularly in Massachusetts and Connecticut.

The extraordinarily high rate of poverty among Hispanic families in New England also was influenced in a major way by the above-average proportion of Hispanic families headed by a single parent and by the severe employment problems of female Hispanic family heads. The 1985 CPS estimates indicate that nearly 80 percent of all single-parent Hispanic families headed by a woman are poor. In sharp contrast, only 5 percent of Hispanic husband-wife families were estimated to be poor during 1984. Differences in family structure and the unique labor market problems of Hispanic women thus account for a high fraction of the observed differential in poverty rates between white and Hispanic families in the New England region.

While black and Hispanic families in New England clearly experience poverty rates well above those of white families, the majority of poverty families in the region continue to be white. Even in 1985, 72 percent of all poverty families in the region were white non-Hispanic. The trend over the past five years, however, has been toward an increase in the minority share of family poverty throughout the region. During 1980, approximately 77 percent of all poor families in New England were white non-Hispanic. The rising share of family poverty accounted for by race/ethnic minority groups in New England is an issue that must be addressed by state and local policymakers involved with antipoverty efforts. The income inadequacy problems of single-parent families of all races, but particularly those from the black and Hispanic communities, must be effectively addressed if reductions in poverty are to occur. Simultaneously, state efforts to increase incentives for family formation and stability should be supported; the development of state "family policies" that would coordinate diverse efforts to strengthen families, particularly at the low end of the socioeconomic spectrum, would seem to be highly desirable at this time.²⁶

Poverty Rates and the Number of Earners in Families

The incomes of New England families are influenced to a rather considerable degree by the number of earners per family. Our analysis of the 1985 CPS data revealed that median family incomes in New England were directly related to the number of earners in the family. Families having two or more earners tended to achieve median and mean incomes well above those of families with no earners (for example, retirees and welfare recipients) or only one earner. For example, the 1984 median income of Massachusetts families with only one earner was only \$23,179; for two-earner families it was \$34,570; and for three-earner families it was \$43,500.²⁷

One would also expect that the probability of a family being poor would be

closely associated with the number of earners in the family. Families with no earners would be heavily dependent on transfer income and/or private pensions to support themselves, and the existence of monthly cash transfer payments, such as AFDC benefits, that are currently below the official poverty line would be expected to produce above-average rates of poverty. Families with multiple earners would be expected to have far fewer problems than one-earner families in securing incomes above the poverty threshold. Previous national research on the labor force behavior of wives and other secondary earners in families has consistently revealed a negative relationship between poverty rates of families and the degree of labor force participation by wives and other family members; that is, the greater the number of labor force participants in the family, the lower the probability of a family being poor.²⁸

To assess the nature of current relationships between the number of earners in families and the probability of their being poor, we have examined the March 1985 CPS data for the nation as a whole, New England, and each of the New England states. The findings of our analysis are presented in table 10. Even a casual review of the data appearing in this table reveals the existence of strong relationships between family poverty and the number of earners per family. These relationships hold true for all three geographic categories examined.

The findings in table 10 reveal that New England families in each earner category were less likely to be poor than their counterparts across the nation; however, the relative size of the differential tended to vary by the number of earners in the family. New England families with no earners had approximately a *one-in-four* probability of being poor during 1984. The incidence of poverty among no-earner families in New England was, however, 18 percent below the poverty rate for no-earner families throughout the nation during that year. One-earner families in New England were characterized by a poverty rate (12.3 percent), which was less than half that of no-earner families in the region and which was 23 percent below that of all one-earner families throughout the country. The exact reasons for the favorable poverty position of one-earner families are not completely clear at this time; however, our review of the available limited evidence suggests

Table 10

**1984 Poverty Rates of Families in the U.S.,
the New England Region and Individual New England
States by Number of Earners Per Family**
(numbers in %)

| Geographic Area | No Earners | One Earner | Two or More Earners |
|----------------------------|---------------|---------------|---------------------------|
| U.S. | 31.8 | 15.9 | 4.3 |
| New England | 25.9 | 12.3 | 1.3 |
| Connecticut | 23.3 | 10.9 | .4 |
| Maine | 32.8 | 14.8 | 2.8 |
| Massachusetts | 24.8 | 11.2 | 1.4 |
| New Hampshire | 17.1 | 12.7 | .0 |
| Rhode Island | 37.7 | 16.5 | 1.8 |
| Vermont | 29.3 | 17.5 | 3.8 |
| New England as a % of U.S. | 81.4 | 77.4 | 30.2 |

that the strong employment-generating performance of the New England economy has enabled more workers to obtain year-round and full-time employment, thereby increasing their annual earnings.²⁹

The poverty rate of families with two or more earners in New England was only 1.3 percent during 1984. This was only one-tenth as high as the poverty rate for one-earner families in the region, and it was 30 percent below the poverty rate of families containing two or more earners throughout the nation. The findings reveal that Massachusetts, Connecticut, and New Hampshire, in particular, have come extremely close to eliminating poverty among multiple-earner families. The movement toward a full employment economy in the region, by increasing job opportunities for wives and other family members, has clearly facilitated the ability of husband-wife families to escape poverty. The problems of poverty have become far more concentrated among families with no earners or with single earners in the New England region. For example, during 1984, nearly 90 percent of all poor families in Massachusetts had either no earners or only one earner. Future antipoverty programs in the region will have to be increasingly targeted upon the income inadequacy problems of single-parent families, who are primarily the "dependent poor," and upon the "working poor," many of whom are able to secure employment for only part of the year. As noted earlier, only a small fraction of poor families in New England are headed by elderly persons over age sixty-five. The combination of a near full employment economy and the high fraction of poor family heads in the prime working-age groups (ages twenty-five to fifty-four) should allow labor market-oriented strategies to assume a greater role in all future antipoverty efforts throughout the region.

Poverty Among Children in New England

During the past few years, there has been growing public recognition of the problems of poverty among children in the United States.³⁰ During the past fifteen years, the poverty rate among the nation's children has increased both in an absolute sense and relative to the poverty rate for adults throughout the nation.

Table 11

**Proportion of New England Families Containing
One or More Children Under 18 Years of Age,
by Size of Family Income Relative to Poverty Line
as of 1984**

| Family Income | Percentage of Families with One or More Children Under 18 |
|------------------------------|--------------------------------------------------------------------|
| Below poverty line | 82.1% |
| 100% to 124% of poverty line | 72.4% |
| 125% to 149% of poverty line | 55.6% |
| 150% or more of poverty line | 45.4% |
| All families | 49.2% |

During 1969, only fourteen of every one hundred children living in families in the United States were members of poor families. By 1983, this ratio had risen to twenty-two out of one hundred. To assess current problems of poverty among children in New England, we analyzed the data appearing on the March 1985 CPS public-use tapes for each of the New England states. Key findings are summarized in tables 11 through 14.

Table 11 presents data on the proportion of New England families containing one or more unmarried children under eighteen years of age. Families are classified by the size of their income relative to the poverty line. Approximately half of all families in New England had one or more children under eighteen years of age in 1984. Families that were poor or near poor were far more likely to have children present in the home.³¹ Approximately five out of every six poor families in New England had one or more unmarried children under eighteen years of age, and over 70 percent of the near poor families had one or more children. Only 45 percent of all families with incomes equal to or greater than 150 percent of the poverty line had children under eighteen.

The incidence of poverty among families in New England is also related to the number of children under eighteen that they contain. Table 12 presents data on the poverty rates of families classified by this statistic. Only 2.6 percent of New England families with no children under eighteen were poor in 1984. The poverty rates of families containing one or two children under eighteen were four to five times higher, namely, 10.5 and 11.7 percent, respectively. The poverty rate among families containing three children under eighteen rose to 13 percent; for families with four children under eighteen it rose to 27 percent; and 42 percent of families with five or more children under eighteen had incomes below the poverty line. Poverty rates among families with children are thus four to sixteen times higher than those of families without children, and the probability of being poor tends to rise with the number of children in the home. While families with a greater number of children are more likely to be poor, the typical poor family in New England contains few children. During March 1985, of all poor families containing one or more children, 73 percent had only one or two children, and 90 percent had three children or less.

Table 12

**1984 Poverty Rates of New England Families
by Number of Children Under 18 in Family**

| Number of Children Under 18 | Poverty Rate |
|-----------------------------------|--------------|
| 0 | 2.6% |
| 1 | 10.5% |
| 2 | 11.7% |
| 3 | 13.1% |
| 4 | 27.0% |
| 5 or more | 42.1% |

Table 13

**Distribution of Unmarried New England Children
Under 18 Years of Age, by Size of Family Income
Relative to Poverty Line as of 1984**

| Size of Family Income | Number of Children | Percentage of All Children |
|------------------------------|-----------------------|-------------------------------|
| Less than poverty line | 417,100 | 13.8% |
| 100% to 124% of poverty line | 129,800 | 4.3% |
| 125% to 149% of poverty line | 152,900 | 5.1% |
| 150% of poverty line | 2,323,700 | 76.8% |
| All families | 3,022,600 | 100.0% |

Estimates of the total number of unmarried children under eighteen years of age in New England and their distribution by the size of their family's income relative to the poverty line in 1984 are presented in table 13. Our figures indicate that there were 3.02 million children under eighteen years of age living in New England families in that year. Of this total, 417,000, or 13.8 percent, were living in poor families, and approximately 18 percent were living in poor or near poor families throughout the region. The poverty rate among children is nearly double that for families in New England. Such a high proportion of children living in families with incomes near or below the poverty line should be of major concern to state educators and to employment and training policymakers and administrators. National research has shown that children who live in poor families tend to have more deficient basic skills and fare more poorly in school and that they are more prone to drop out of high school than children who reside in middle- and upper-middle-income families.³² Given the importance of basic skills and formal educational attainment for success in the labor market today, many of the children in poor and near poor families are at high risk of becoming the hard-core unemployed and the poor of tomorrow.

Table 14 shows poverty rates for children under six years of age in New England during 1984, when 17 percent of them lived in poor families, a poverty rate that was 2.3 *times* as high as that for all families in the region during that year.

Table 14

**Percentage of New England Children Under 6 Years
of Age Living in Poor or Near Poor Families as of 1984**

| Size of Family Income | Number of Children Under 6 | Percentage of All Children Under 6 |
|------------------------------|----------------------------------|------------------------------------------|
| Less than poverty line | 155,300 | 17.0% |
| 100% to 124% of poverty line | 53,300 | 5.8% |
| All families | 916,100 | 100.0% |

Nearly 23 percent of all children under six in New England were living in poor or near poor families during 1984. The continuing shift in the region's poverty population toward single-parent families headed by women between the ages of twenty-five and forty-four has increased the likelihood of poverty families having one or more dependent children under eighteen, which in turn has increased the probability that children overall will be members of poor families. The feminization of poverty and the rise in the poverty rate among children are closely related phenomena. Efforts to reduce the number of poor children must, therefore, go hand in hand with efforts to reduce the number of poor female-headed families. Current and future poverty problems are probably more closely linked in 1985 than they have been at any time during the past twenty years.

The Size of the Poverty Deficits Among New England Families

In analyzing the problems of poverty among families in our region, we have so far concentrated our efforts on identifying the number and characteristics of families whose cash incomes fall below the poverty line. Not all poor families will find themselves in similar economic circumstances. Some will find themselves with an income quite close to the poverty line, while the income of others will fall well below it. To determine the income position of poor families in New England and their size in comparison to the poverty line, we calculated the mean absolute and relative size of their income deficits during 1984 and compared these findings to those for the nation as a whole during the same time period.³³

The *absolute size of the income deficit* of a poverty family was calculated by subtracting its actual total cash income during calendar year 1984 from the poverty line for a family of its given size for the same year. We then divided the absolute size of the income deficit by the appropriate poverty line for that family to determine the *relative size of the income deficit*. This measure simply represents the size of the income deficit as a percentage of the poverty line. If the relative size of the income deficit is calculated to be 30 percent, this implies that the family's total cash income fell short of the official poverty line by 30 percent. Our estimates of the mean relative size of the income deficits of poverty families in New England are presented in table 15, on page 24.

The mean relative size of the income deficit for all poor families in the region was 36.4 percent and tended to vary by type of family. Married couple families in New England experienced lower mean relative income deficits than families headed by female householders with no husband present. The mean relative size of the income deficits for these two groups was 29.7 and 38.7 percent, respectively. This statistic also varied by the race/ethnic group of the family head, ranging from a low of 33.4 percent for white non-Hispanics to a high of 48.1 percent for Hispanics. Those groups with the higher family poverty rates also encountered the highest mean relative income deficits.

Estimates of the mean sizes of the income deficits of poor families in New England and the nation during calendar year 1984 are presented in table 16, also on page 24. The mean size of the income deficits of poor families in New England and the nation in that year was \$3,371 and \$4,141, respectively. The

Table 15

Mean Size of Income Deficits as Percentage of Poverty Line by Type of Family and Race/Ethnic Group of Family Head in New England as of 1984

| Family Group | Mean Relative Size of Income Deficit |
|-----------------------------------------------------------|--------------------------------------|
| All Families | 36.4% |
| Married-Couple Families | 29.7% |
| Families Headed by Female Householder, No Husband Present | 38.7% |
| Race/Ethnic Group of Family Head | |
| White non-Hispanic | 33.4% |
| Black non-Hispanic | 36.2% |
| Hispanic | 48.1% |

Table 16

Mean Size of Income Deficits of Poor Families in the U.S. and New England as of 1984

| Geographic Area | Mean Deficit |
|----------------------------|--------------|
| U.S. | \$4,141 |
| New England | \$3,371 |
| New England as a % of U.S. | 81.4% |

mean size of the income deficit for poor families throughout the region was below that of the nation by nearly 19 percent, indicating that poor families in New England are slightly less disadvantaged than their poor counterparts throughout the country. At the same time, it must be recognized that the estimated cost of living in metropolitan New England is higher than in other major metropolitan areas throughout the nation. While current data on regional cost-of-living differences are not available, data for the early 1980s on the income needed by families to achieve a “lower standard of living” indicated that a four-person family in the Boston metropolitan area would need approximately 6.4 percent more income than its typical counterpart in other metropolitan areas throughout the nation.³⁴

Data on the mean size of the income deficits of poor families in New England and the nation and their size relative to the mean incomes of all families in 1984 are presented in table 17. We have estimated the mean income deficit of poor families in New England to be equivalent to 9.5 percent of the mean income of all families in the region. This ratio is nearly 30 percent less than that prevailing for poverty families throughout the nation (13.3 percent) during 1984. Mean

Table 17

**Mean Income Deficits, Mean Family Incomes and
Mean Deficits as a Percentage of Mean Incomes
in the U.S. and New England as of 1984**

| Geographic Area | Mean Income Deficit | Mean Family Income | Mean Deficit as Percentage of Mean Income |
|-----------------|---------------------------|--------------------------|-------------------------------------------------|
| U.S. | \$4,141 | \$31,052 | 13.3% |
| New England | \$3,371 | \$35,402 | 9.5% |

income deficits of poor families in New England are not only lower in absolute dollar terms than those for the nation, but they also represent a smaller percentage of the mean incomes of all New England families.

Estimates of the total dollar size of the income deficits of poor families in the nation and New England during 1984 and their percentage share of the total cash incomes of all families are presented in table 18. The size of the total income deficits of poor families is dependent on both the mean size of their income deficit and the total number of poor families in the area being analyzed. Given our previous findings that (1) mean incomes of New England families are above those of U.S. families, (2) the incidence of poverty among New England families is lower than that of families throughout the nation, and (3) the mean income deficit of poor families in New England is lower than that of all poor families throughout the nation, the total income deficit of all poor New England families must represent a lower share of the total incomes of all families in the region than is true for the nation. The findings in table 18 indicate quite clearly that this is the case.

Our estimate of the total income deficit of poor New England families during 1984 is \$833 million. This figure represents the total amount of income that would have to be received by poverty families to enable them to achieve a level of income exactly equal to the poverty threshold for their family size. The estimated total income deficit of all poor families in New England during 1984 is equal to only .7 percent of the total incomes of all families in the region during that year. This percentage figure is below that for the region during 1979, when the total income deficit was estimated to be nearly 1.0 percent, and is less than

Table 18

**Estimates of the Total Income Deficits of
Poor Families and Total Cash Incomes of All Families
in the U.S. and New England as of 1984**

| Geographic Area | Total Income Deficit | Total Family Incomes | Poverty Deficit as Percentage of Total Family Incomes |
|-----------------|----------------------------|----------------------------|----------------------------------------------------------------------|
| U.S. | \$30 billion | \$1.947 trillion | 1.5% |
| New England | \$833 million | \$119.4 billion | .7% |

one-half of the relative size of the income deficit for the nation during 1984. The elimination of poverty among families in New England is within greater reach today than at any time in the past fifteen years.

The estimated size of the total income deficit for poor families in New England should *not* be interpreted as the minimum amount of income transfers needed to eliminate poverty among families in our region. Most transfers of income are not costless to society.³⁵ Increases in transfer incomes relative to wage and salary earnings could be expected to adversely affect the work incentives of some portion of those poor family heads and their dependents who are currently employed, as well as the work incentives of those near poor persons who are working but earning an amount close to the poverty line.³⁶ As noted earlier in this article, the vast majority of poor family heads in New England are in the prime working-age group, and, though many of them encounter multidimensional problems in securing employment that is competitive with public assistance payments, we believe that a comprehensive array of education, training, and support services, combined with improved economic incentives to work, can contribute to a major reduction in poverty through increasing the earnings of poor family members. In a near full employment environment, expansion of job opportunities for poor family heads can contribute not only to a reduction in poverty but also to an expansion of overall employment, output, and incomes for all New England residents. Displacement effects of job training and placement programs for poor family heads will be minimal in a full employment environment. Antipoverty programs can thus be supportive of economic justice and economic growth goals for the region as a whole. The challenge for economic policymakers in the region is to design and implement such programs and economic incentives in a manner that will simultaneously enhance the employability of the poor and increase their rewards for working instead of simply collecting transfer incomes.

Summary and Conclusions

This report has provided a description and detailed analysis of trends in the size and composition of the family poverty population in New England in the mid-1980s. Our findings have revealed that the strong growth in overall employment opportunities, combined with the sharp drop in the unemployment rate of the region and new employment and training initiatives aimed at the dependent poor, has prevented the poverty rate from rising, in contrast to the trend in the nation as a whole. While the overall family poverty rate has not declined, a number of changes have occurred in the composition of the poor. Husband-wife families, white families, and multiple-earner families currently are characterized by the lowest rates of poverty, and a number of states in the region have come fairly close to eliminating poverty among husband-wife families and multiple-earner families. On the negative side, family poverty has become more concentrated among single-parent, female-headed families, among blacks and Hispanics, and among the dependent poor. The feminization of poverty has increased far more rapidly in the region—particularly in Massachusetts—than in the United States in general, and accompanying this trend has been an increase in the share of the region's poverty population accounted for by children under the age of eighteen.

Poverty problems in New England clearly appear to have become more "struc-

tural" over the past fifteen years, and future economic growth by itself cannot be counted on to generate major reductions in the size of the family poverty population. Yet it must also be recognized that the majority of the heads of poor families in our region are within the prime working-age group, and many of them can be educated and trained to fill existing and future jobs in the New England economy. Existing employment and training programs, such as JTPA Title II-A programs, the ET Choices program in Massachusetts, and other Welfare Demonstration programs in the region; Job Service placement activities; and the education and training efforts of community colleges, vocational schools, and community-based organizations can play a key role in providing a transition for many of the dependent poor into jobs in the unsubsidized labor markets of New England. Greater coordination of existing services and a more structured delivery system for the poor are clearly needed.

Matthew may remind us that "you have the poor among you always";³⁷ however, there is no known economic or social law that should prevent the New England region from achieving further reductions in the number of poor families. As Michael Harrington has remarked in *The New American Poverty*, his recently updated volume on poverty in America, "The most basic single point in this book is that, if the new poverty is so much more intransigent than the old, it is *not a fate*. The structures of this misery were created by men and women; they can be changed by men and women."³⁸ Such remarks seem to be more relevant to New England in the mid-eighties than at any time in the previous fifteen years. 🐼

Notes

1. See "Business Fads," *Business Week* (20 January 1986); and Philip L. Rones, "An Analysis of Regional Employment Growth, 1973-85," *Monthly Labor Review* (July 1986): 3-14.
2. For a more comprehensive review of employment and unemployment trends in the New England economy, see Paul Harrington and Andrew Sum, *The Impact of a Near Full Employment Economy on the Structure of Unemployment and Poverty Problems in New England*, report prepared for the New England Regional Office, Employment and Training Administration, Boston, 1986; idem, "Employment and Unemployment in the Near Full Employment Economy of New England," *New England Economic Monitor* 1, no. 1 (September 1986).
3. For a more detailed review of recent trends in the incomes of families in Massachusetts and the other New England states, see Andrew Sum and Paul Harrington, *The Shrinking of Family Poverty in Massachusetts*, Massachusetts Division of Employment Security (Boston, 1986).
4. For a discussion of the factors producing differences between growth trends in per capita incomes and mean family incomes, see Paul Ryscavage, "Reconciling Divergent Trends in Real Income," *Monthly Labor Review* (July 1986): 24-29.
5. The exact words of President Roosevelt on this topic in October 1937 were as follows: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." For a recent discussion of social programs in the 1980s, see Sar Levitan and Clifford M. Johnson, *Beyond the Safety Net* (Cambridge, Mass.: Ballinger Publishing Co., 1984).
6. For a review of the methodologies involved in developing the poverty lines for families of varying sizes, see Mollie Orshansky, "How Poverty Is Measured," *Monthly Labor Review* 92 (May 1969): 37-41. Discussions of the adequacy of existing poverty guidelines and of alternative methods for measuring poverty can be found in the following publications: Michael Harrington, *The New*

American Poverty (New York: Holt, Rinehart, and Winston, 1984); Greg J. Duncan, *Years of Poverty, Years of Plenty* (Ann Arbor: Institute for Social Research, University of Michigan, 1984); and Robert D. Plotnick and Felicity Skidmore, *Progress Against Poverty: A Review of the 1964-74 Period* (New York: Academic Press, 1975).

7. Families that are poor in New England have cash incomes *below* the poverty lines appearing in table 2; thus, the ratio of their actual income to the median income of families of similar size will be less than the percentage appearing in column C.
8. The number of completed interviews with families ranged from a high of 1,321 families, in Massachusetts, to a low of 365 families, in Vermont. The average sampling ratio for all families was one interview per 982 families. The sample data of each state were weighted to generate region population estimates.
9. Quite similar trends occurred for poverty rates among all persons in New England and the nation during the 1970s. For a review of the Massachusetts experience, see Manuel Carbello and Mary Jo Bane, eds., *The State and the Poor in the 1980's* (Boston: Auburn House Publishing Co., 1984), 1-8.
10. See Rones, "An Analysis of Regional Employment Growth, 1973-85," 7, 10.
11. Given the size of the sample of families interviewed throughout the region during 1984, a decline of only .1t in the poverty rate would not be considered statistically significant.
12. The view that strong economic growth and accompanying full employment in labor markets would push down the poverty rate of the nation is known as the "trickle-down" theory. This theory clearly applies to New England; however, it seems to more forcefully apply to families with husband and wife present. For a review of trickle-down theories and their validity, see W. H. Locke Anderson, "Trickling Down: The Relationship Between Economic Growth and the Extent of Poverty Among American Families," *Quarterly Journal of Economics* 78, no. 4 (November 1964): 511-24; Lloyd D. Bender, Bernal L. Green, and Rex R. Campbell, "A Case Study: Trickle-Down and Leakage in the War on Poverty," *Growth and Change* 2, no. 4 (October 1971): 34-41; and Richard F. Bieker, "Can Private Sector Jobs Reduce Welfare Dependency?" *Growth and Change* (April 1982): 2-9.
13. For a discussion of the feminization of poverty in the United States, see the National Advisory Council on Economic Opportunity, "Women in Poverty," *Economic Development and Law Center Report* (July-September 1981): 5-12; and Diana M. Pearce, "The Feminization of Ghetto Poverty," *Society* 21, no. 1 (November-December 1983): 70-74.
14. For a review of recent national trends on the feminization of poverty which highlights the less accelerated trend for the nation, see Victor Fuchs, *Poverty and Women*, National Bureau of Economic Research (Cambridge, Mass., 1986).
15. The term *labor force* refers to persons officially classified as either employed or unemployed by the U.S. Bureau of Labor Statistics (BLS) in the Current Population Survey. A person who has had no such labor force experience at any time in a given year is classified as having no recent attachment.
16. This growing problem of the dependent poor has been recognized by Michael Harrington in his recent volume on poverty in America, *The New American Poverty*. See page 33.
17. Data on the annual average civilian labor force participation rates of persons (sixteen and older) in New England during 1985 were obtained from unpublished sources provided by the Bureau of Labor Statistics. These data will be found in the BLS publication titled *Geographic Profile of Employment and Unemployment, 1985*.
18. See Andrew Sum and Katherine Mazzeo, *Trends in the Money Incomes and Poverty Status of Massachusetts Families, 1969-1975: Implications for Targeting CETA-Related Employment and Training Programs*, Monograph of the Massachusetts Department of Manpower Development (Boston, 1978).
19. See U.S. Department of Commerce, Bureau of the Census, *1980 Census of Population, General Social and Economic Characteristics* (Washington, D.C.: U.S. Government Printing Office, 1983).

Separate volumes are published for each New England state.

20. Daniel Patrick Moynihan, "We Can't Avoid Family Policy Much Longer," *Challenge* (September-October 1985): 9-17.
21. The estimated unemployment rate of poor family heads was overwhelmingly larger than that for nonpoor family heads. At the time of the March 1985 CPS survey, the unemployment rate of nonpoor family heads was only one-seventh as high as that of poor family heads.
22. ET Choices is a welfare demonstration program operated statewide in Massachusetts. It is intended to improve the employability and earnings of AFDC recipients and thereby reduce their welfare dependency. A diverse array of services are provided to program participants, including child care, job search assistance, remedial education, occupational training, and other job training. Smaller-scale demonstration programs, serving AFDC recipients, are also operating in four other New England states. Supported Work programs are intensive, high-support, subsidized work experience programs for welfare recipients and other at-risk groups. They are intended to enable participants to make the transition into unsubsidized jobs in both the private and public sectors of the economy. Title II-A Job Training Partnership Act (JTPA) programs are employment and training programs that are funded by the U.S. Department of Labor. They are aimed at economically disadvantaged adults and youth and are designed to provide job placement, remedial education, and occupational training to improve long-term employability and earnings. Job Service labor exchange activities are job placement and job development programs designed to place the job-ready into existing positions in state and local labor markets. State and local housing authorities in New England also operate remedial education and vocational training programs for unemployed and underemployed residents of public housing projects.
23. One exception is that of Project Redirection. For a review of the goals, design, and outcomes of such programs for teenage parents, see Janet C. Quint and James A. Riccio, *The Challenge of Serving Pregnant and Parenting Teens*, Monograph of the Manpower Demonstration Research Corporation, New York, April 1985.
24. Data on the 1979 poverty rates of families in New England by race/ethnic group are based upon the findings of the 1980 decennial Census. See U.S. Department of Commerce, Bureau of the Census, *1980 Census of Population, General Social and Economic Characteristics*, tables 82 and 104.
25. For a more detailed review of changes in median incomes of white and black families in Massachusetts between 1979 and 1984, see Sum and Harrington, *The Shrinking of Family Poverty in Massachusetts*.
26. Senator Moynihan's views on the objectives and desired characteristics of such a family policy were discussed in his Godkin Lectures at Harvard University in the spring of 1985. See Daniel Moynihan, *Family and Nation*, unpublished lecture notes, 1985, and idem., *Family and Nation* (New York: Harcourt, Brace, and Jovanovich, 1986).
27. Sum and Harrington, *The Shrinking of Family Poverty in Massachusetts*, 30-35.
28. Joseph D. Mooney, "Urban Poverty and Labor Force Participation," *American Economic Review* (March 1967): 104-19.
29. A full employment economy can also assist one-earner families to escape from poverty by raising real hourly wages on existing jobs and increasing promotion opportunities for workers. During the past few years, average hourly earnings of production workers in New England manufacturing industries have been rising relative to the same for their counterparts throughout the nation. For a more detailed analysis of the relationships between income inadequacy and employment and earnings experiences of workers in New England, see Andrew M. Sum and Edward M. Meehan, "The Economically Disadvantaged in New England," *New England Journal of Employment and Training* 1, no. 1 (Winter 1981): 23-53.
30. Cheryl C. Sullivan, "Welfare: Poverty and Children—New Doubts About the System," *Christian Science Monitor*, 27 September 1985; Daniel Moynihan, *Family and Nation*; and *Poverty Among Children in the U.S.*, Library of Congress, Congressional Research Service Monograph (Washington, D.C., 1985).

31. The term "near poor" has traditionally been used to represent those families whose incomes are above the official poverty line but do not exceed 125 percent of the poverty line for their family size.
32. Jerald G. Bachman et al., *Adolescence to Adulthood: Change and Stability in the Lives of Young Men*, Institute for Social Research, University of Michigan (Ann Arbor, 1978); Heather L. Ross and Isabel V. Sawhill, *Time of Transition: The Growth of Families Headed by Women*, The Urban Institute (Washington, D.C., 1975); and Andrew Sum and Paul Harrington, *Basic Skills of America's Youth: Findings of the 1984 National AFQT Test Administration*, a report prepared for the Ford Foundation, New York, 1985, available from the Center for Labor Market Studies, Northeastern University.
33. The rationale for analyzing the size of the income deficits of poor families, along with the findings of previous analyses of the income deficits of the poverty population in the United States during the early 1970s, is presented in Robert D. Plotnick and Felicity Skidmore, *Progress Against Poverty*. See pages 39 and 40.
34. The Bureau of Labor Statistics has discontinued the collection of data on family living standards. The last year for which such data were collected was 1981. The U.S. Department of Labor has updated these family income data to 1984 by applying changes in the CPI to the 1981 data. See "Lower Living Standard Income Level to Be Used for Determining Economic Disadvantage for JTPA Purposes," *Federal Register* (8 August 1984).
35. Public assistance payments are regarded as transfer payments by economists and often are considered to impose no real resource cost in many benefit-cost studies. This assumption is clearly inappropriate for many of the New England poor. If work incentives were diminished, the reduction in labor supply would clearly lead to reduced employment and incomes for all residents.
36. For a review of the findings on the impact of previous income guarantees on work incentives and of taxes on labor supply decisions of households, see Robert Ferber and Werner Z. Hirsch, *Social Experimentation and Economic Policy* (Cambridge: Cambridge University Press, 1982); "Implications of a Negative Income Tax: A Series of Papers on Income Maintenance Experiments," *Journal of Human Resources* (Fall 1980); and Barry Bosworth, *Tax Incentives and Economic Growth*, Brookings Institution (Washington, D.C., 1984).
37. Matthew 26:11, *New English Bible* (New York: Cambridge University Press, 1971).
38. Harrington, *The New American Poverty*.