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Health Policy Conference Examines the Uninsured

In 2002, 41 million Americans were without health insurance for the entire year. The ramifications of the uninsured for both government and individuals are considerable. To examine this issue in greater depth, Bruce Meyer, IPR faculty fellow and economist, assembled a group of top researchers in the field at the "Health Policy and the Underserved" conference held May 8-9 in Washington, D.C. It was hosted jointly by IPR and the Joint Center for Poverty Research.



(From left) Jonathan Gruber, Robert LaLonde, and IPR's Bruce Meyer at the health conference

Conference presenters spoke to issues that dominate current policy discussions, from the effects of no insurance on health, to immigrant health, to the rising number of workers who are choosing not to participate in employer-sponsored health care, to crowd-out effects of varying policies.

A much debated issue is that of "crowd-out"—the degree to which families substitute public programs for

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Working It Out

Study shows children neither harmed nor helped when welfare mothers go to work

The calls poured in from Boston, New York, even the UK. Fortunately, Professor P. Lindsay Chase-Lansdale and her coauthors were prepared for the media onslaught that their article generated. Published in the March 7 issue of *Science*, "Mothers' Transitions from Welfare to Work and the Well-Being of Preschoolers and Adolescents" made waves not only with the press—more than 100 articles about it appeared, plus spots on national radio and television—but also with policymakers, who are currently facing the reauthorization of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, of which Temporary Assistance for Needy Families (TANF) is a part.

The study suggests—at least in the short run and during good economic times—that children in low-income fami-

lies are not helped or harmed, on average, when their mothers leave welfare or move into the workforce.

Conducted during the "boom years" from 1999 to mid-2001, the \$20 million Three-City Study

focuses on the cognitive achievement, problem behaviors, and psychological well-being exhibited by preschoolers (2-4 years old) and adolescents (10-14 years old), who are living in poor neighborhoods in Boston, Chicago, and San Antonio. In all, 2,402 low-income children and their mothers were interviewed extensively.



P. Lindsay Chase-Lansdale

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Dire Straits for States

Conference on state fiscal crises discusses issues; debunks myths

A brief scan of the headlines in just about any newspaper in the nation reveals the extent and gravity of the burgeoning fiscal crises for states. One analyst has estimated that the collective deficit will reach more than \$100 billion dollars in the next few months.

For those who are wondering what happened to the record amounts of surpluses of recent years, they should also be experiencing a strange sense of *déjà vu*. "At least once each decade for the past 30 years, the economy has taken a nose



Therese McGuire discusses state fiscal crises.

dive, and state revenues have failed to keep up with expenditures," said Therese McGuire, IPR faculty fellow and professor of management and strategy at Northwestern's Kellogg School of Management. "The situation is not new, but the reasons behind it

differ from previous fiscal crises."

McGuire was one of the organizers of "State Fiscal Crises: Causes, Consequences, and Solutions" in Washington, D.C. on April 3. The

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Recently Published Books

Partial Identification of Probability Distributions

By Charles F. Manski
Springer, 2003, 178 pages



Sample data alone never suffice to draw conclusions about populations. Inference always requires assumptions about the population and sampling process. Statistical theory has revealed much about how the strength of assumptions affects the precision of point estimates, but it has had much less to say about how it affects the identification of population parameters. Indeed, it has been

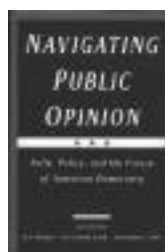
commonplace to think of identification as a binary event—a parameter is either identified or not—and to view point identification as a precondition for inference. Yet there is enormous scope for fruitful inference using data and assumptions that partially identify population parameters. This book explains why and shows how.

In a rigorous and thorough manner, the book presents the main elements of Charles Manski's research on partial identification of probability distributions. One focus is prediction with missing outcome or covariate data. Another is decomposition of finite mixtures, with application to the analysis of contaminated sampling and ecological inference. A third major focus is the analysis of treatment response. Whatever the particular subject under study, the presentation follows a common path. The author first specifies the sampling process generating the available data and asks what may be learned about population parameters using the empirical evidence alone. He then asks how the (typically) setvalued identification regions for these parameters shrink if various assumptions are imposed. The approach to inference that runs throughout the book is deliberately conservative and thoroughly nonparametric.

The chapters are "Missing Outcomes"; "Instrumental Variables"; "Conditional Prediction with Missing Data"; "Contaminated Outcomes"; "Regressions, Short and Long"; "Response-Based Sampling"; "Analysis of Treatment Response"; "Monotone Treatment Response"; "Monotone Instrumental Variables"; and "The Mixing Problem."

Navigating Public Opinion: Polls, Policy, and the Future of American Democracy

Edited by Jeff Manza, Fay Lomax Cook, and Benjamin Page
Oxford University Press, 2002, 392 pages



Do politicians listen to the public? How often and when? Or are the views of the public manipulated or used strategically by political and economic elites? "Navigating Public Opinion" brings together leading scholars of American politics to assess and debate these questions. It describes how the relationship between opinion and policy has changed over time; how key political actors use public opinion to formulate domestic and foreign policy; and how new measurement techniques might improve our understanding of public opinion in contemporary polling and survey research.

The distinguished contributors shed new light on several long-standing controversies over policy responsiveness to public opinion. Featuring a new analysis by Robert Erikson,

"The impact of public mood on welfare, foreign policy, social security, and labor policy is tracked, explained, and evaluated to answer the question: 'When the people speak, do politicians listen?'"

Michael MacKuen, and James Stimson that builds from their path-breaking work on how public mood moves policy in a macro-model of policymaking, the volume also includes several critiques of this model by Lawrence Jacobs and Robert Shapiro, another critique by G. William Domhoff, and a rejoinder by Erikson and his coauthors.

Other highlights include discussions of how political elites, including state-level policymakers, presidents, and makers of foreign policy, use—or shape—public opinion; and analyses of new methods for measuring public opinion such as survey-based experiments, probabilistic polling methods, non-survey-based measures of public opinion, and the potential and limitations of Internet polls and surveys. Introductory and concluding essays provide useful background context and offer an authoritative summary of what is known about how public opinion influences public policy.

Noted Henry Brady, a professor at the University of California at Berkeley, "The dynamic interplay of public opinion and political power takes center stage as an all-star cast of academics shows how public opinion shapes and directs public policy in the U.S. The impact of public mood on welfare, foreign policy, social security, and labor policy is tracked, explained, and evaluated to answer the question: 'When the people speak, do politicians listen?'"

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Chemist Named as Northwestern's Vice President for Research

C. Bradley Moore stepped into his new role as vice president for research at Northwestern University on May 1. Moore, an internationally recognized chemist, was recruited from Ohio State University where he was vice president of research, following an intensive, nationwide search. His mandate is to help Northwestern to continue expanding and enhancing the University's research efforts. Current research volume is \$324 million, which has doubled over the past nine years.

"We had a large field of excellent candidates to choose from, and Brad Moore just stood out as the cream of the crop," said Fay Lomax Cook, IPR's Director and professor of human development and social policy, who was part of the search committee.

During a meeting with several IPR faculty members shortly after his arrival, Moore praised Northwestern's community of "first-class scholars that made this an extremely attractive place to come to," he said. "I'm looking forward to helping

you to build research programs that can have a major impact on society."



C. Bradley Moore, the newly appointed VP of research, chats with Fay Lomax Cook.

A first-rate scholar, Moore has worked on molecular energy transfer, chemical reaction dynamics, photochemistry, and spectroscopy. He was elected to the National Academy of Sciences in 1986 and to the American Academy of Arts and Sciences in 1996. He is a member of the American Chemical Society, and is a fellow of the American Physical Society and the American Association for the Advancement of Science. Over the years, his work has been recognized by more than a dozen fellowships and awards.

Prior to joining Ohio State, Moore was a faculty member at the University of California at Berkeley from 1963 to 2000, serving as chair of the chemistry department and dean of the college of chemistry while there. He received his B.A. from Harvard University and his Ph.D. in chemistry from the University of California at Berkeley.

Health Policy Conference (continued from page 1)

private in health care and health insurance. Meyer and Anthony Lo Sasso, an IPR faculty associate and research associate professor, find little evidence that hospitals and clinics that provide free care for the poor discourage them from purchasing insurance. "That we do not find strong evidence of crowd-out suggests that the effects may be small if present," Meyer said. Other researchers found similarly small effects of crowd-out from Medicaid expansions and other policy changes, though a paper by George Borjas of Harvard found substantial crowd-out among immigrants.

Jonathan Gruber and Ebonya Washington with the Massachusetts Institute of Technology reported that the decline in insurance coverage has been driven almost exclusively by workers who are opting out of employer-sponsored health care—not because of reduced offering. In response, subsidies have been offered to employees to encourage them to sign up for coverage. This, however, "is truly a bad policy," Gruber said. He and Washington found that subsidies induce employees to choose more expensive coverage and have only a small impact on how many uninsured individuals sign up for insurance.

Other efforts are more successful in insuring families. For those lacking jobs or access to employer-sponsored health care, Anna Aizer of Princeton University and Jeffrey Grogger of the University of California at Los Angeles studied Medicaid programs that have been expanded to cover more adults. They found that the expansions benefited adults as well as their children, and they modestly increased maternal and child coverage.

These expansions also improved the health services received by adults, according to Susan Busch and Noelia Duchovny of Yale University. Medicaid eligibility raised the probability that

a parent gets a check-up and increased the likelihood that women receive preventive cancer screenings. In addition, the expansions appear to have made it more likely that an adult with children will not forgo medical care because of costs. "The increase in check-ups and screenings implies that the programs are having the desired effects," Grogger said.

The potential importance of public policies affecting early childhood health is underscored by research on the long-run effects of improved infant health during the 1960s War on Poverty. Douglas Almond of the National Bureau of Economic Research and Kenneth Chay of the University of California at Berkeley found that the health of girls during infancy appears to be one of the most important determinants of subsequent maternal health. Moreover, inferior health among African-American infants appears to exert a persistent, negative effect on black maternal health, which in turn leads to poor birth outcomes in the subsequent generation.

Other topics covered in the conference included the effects of managed care, why people do not purchase health coverage, the nature of changes in employment and health insurance coverage, health insurance coverage choices by married couples, and the effects of changes in Medicaid coverage for immigrants. The issues facing policymakers and researchers working in the health policy field are complex and pressing. "By bringing together a diverse group of people working on these issues, we advanced our understanding of a wide range of policy issues," Meyer said.

The papers presented at the conference are available at www.jcpr.org/conferences/oldconferences/health_policy.html

POLICY PERSPECTIVE ON WELFARE TO WORK

When Help Helps

by Dan A. Lewis



For decades, legislators and scholars were baffled by the paradox of helping the poor. If we give handouts, we reward need, which makes it more attractive to seek help. In the process, we undermine self-reliance. How do we lend a helping hand without creating dependency?

The answer, Illinois has discovered over the past five years, is that you tie the help to work. If we reward those who work with

assistance, then we help those who are helping themselves. This makes the recipient and the giver—the taxpayer—happy. Latching on to this solution is no small matter, for it makes helping, which has been equated with big government and wasteful spending, politically viable.

Illinois' current welfare system succeeds with the needy and the taxpayer alike, and should be preserved, if not expanded.

Financial support, child care benefits, health insurance, even tax relief, follows those who go to work. Incomes rise and, equally important, hardships fall. The gains we have witnessed in the lives of the poor over the past five years have been significant. And welfare rolls have dropped by more than 80 percent.

The latest findings of the Illinois Families Study, which followed more than 1,100 families to determine how they fared under welfare reform, reveal the material and psychological benefits of work for those families who were surveyed. Annual earnings had increased, on average, to \$14,145 in 2001, up from \$7,485 in 1998. Fifteen percent of working respondents had such work-related benefits as employer-provided health insurance in 1999. By 2002, that had risen to 27 percent. More than three-quarters of those who were in the group that was working reported stable levels of job satisfaction. Homelessness had dropped from 7 percent to 2 percent.

In addition to material benefits, these families feel better, mentally and physically. A little more than 80 percent of adults surveyed reported they were experiencing "good" to "excellent" levels of health, and this number rose to 96 percent for their children. Depression also seems to have declined. Those adults reporting depressive symptoms fell from 24 percent of the total in 1999 and 2000 to 18 percent by 2002.

Further, the latest findings reveal that despite the economic downturn, those who are on welfare and working, or have left the welfare rolls to work, are holding their own. Congress and the states gave most aid recipients a deadline to find jobs and get off welfare. Illinois enacted a 60-month lifetime limit on

welfare assistance, with some exceptions and provisions to "stop the clock." Since then, we have seen that greater numbers of the poor are going to work, that work does pay, and, most important, that those on welfare want to work.

In 2002, 95 percent of the survey's respondents agreed to some extent that "it is a good idea to require people on welfare to work." Welfare, however, only "works" if it supports those who are working. It sounds like a lot to say that average annual income for these families has doubled in three years, but \$14,145 is still below the poverty line for a family of three, and 67 percent of families in the survey were still living below that line. Small gains have been made in health care benefits for children, while health care benefits for adults have remained steady.

Welfare support is one area that still needs a vast amount of improvement and investment. Illinois' welfare program has experienced some success in helping these families, but most of the families still worry "a lot" about having enough money in the future. So where does that leave us in light of the state's fiscal crisis?

Illinois faces a \$5 billion deficit that requires massive cuts in the state budget. We see little chance of help from the federal government, and Gov. Rod Blagojevich has clearly said he will not support higher state income and sales taxes. The question is, Where will the cuts be made? Will they dig into child care subsidies and decimate Medicaid?

The success of Illinois' welfare reform over the past five years cannot be ignored, and the governor has clearly grasped a key to its success: Work supports help those who are helping themselves through work. Despite the decrease in the assistance caseload, the governor is doing the right thing in recommending an increase of approximately \$49 million in child care subsidies, bringing the total to \$538 million for fiscal year 2004. More would be better, but we should be happy for what we can get. Increasing work supports will help those mothers and fathers who have left the dependency of welfare and who are working hard to raise their children and to put food on the table.

Having found a way to reward work, let's not balance the budget on the backs of the poor. We must do all we can to help these mothers and fathers continue in their roles as good parents and productive citizens. We should not undermine that effort. Despite calls for a higher minimum wage in Illinois, we aren't willing to challenge, in any substantial way, the low wages that those with few skills and little education earn, so we must continue to find ways to make work pay through government programs.

Illinois has developed such a system. A dollar spent by the taxpayer to reward work creates another dollar in earned income for the person we have helped. That is the kind of payoff we want to keep getting—especially when times get tough.

We can only hope that Congress and the president will understand that this payoff can work when it comes to reauthorizing welfare reform at the federal level.

Dan A. Lewis is an IPR faculty fellow, professor of education and social policy at Northwestern, and the director of the University Consortium on Welfare Reform.

This article originally appeared in the June 2003 issue of Illinois Issues .

Work Still Pays

IFS study shows positives and negatives of Illinois welfare reform

The third annual report from the Illinois Families Study has found that more than five years into welfare reform, the news is encouraging. Despite an economic downturn, annual earnings among current and former welfare recipients in the state have increased, on average, to \$14,145 in 2001, up from \$7,485 in 1998. More families are covered by work-related benefits such as health insurance, and job satisfaction is high.

"In short, work continues to pay," noted the head of the study, Dan A. Lewis, an IPR faculty fellow and professor of education and social policy at Northwestern. In addition, homelessness has declined, as has material hardship, and the IFS sample is reporting less depression and better health than in prior years.

For those not working, however, the picture is more troubling. A little more than one-third, or 37 percent, of families in the study were neither working nor receiving cash assistance. This group represents some of the study's most vulnerable families. They subsist by using benefits other than Temporary Assistance for Needy Families, or TANF, such as food stamps, Medicaid, and housing assistance. Many in this group had chronic health problems and had more children at home or a child with a severe health condition. They were also more likely to be unmarried and without a high school diploma.

Also troubling is the continued poverty among IFS families. Average annual income for these families has doubled in three

years, but \$14,000 is still below the poverty line for a family of three, and 67 percent of families in the survey were still living below that line.

All Illinois families will eventually face the prospect of losing cash assistance as the 1996 welfare reform legislation imposed a five-year lifetime limit on welfare receipts. Surprisingly, five years later in 2002, very few Illi-

reaching the time limit are those with chronic health problems, more children, and children with limiting health conditions.

Critical to the continued success of welfare reform in Illinois, the IFS study found, is work supports—child care subsidies, health coverage, child support enforcement, and the option to stop the TANF time clock. The Earned Income Tax Credit (EITC), earnings disregards, food stamps, and housing assistance are also important supports for working families.

Despite fairly high rates of awareness of work-support policies, many respondents were not receiving the work-support benefits available in Illinois. Food stamp and Medicaid use dropped considerably from 1998 to 2002. Only 37 percent of working IFS respondents with a child under 12 years old were receiving a child care subsidy in June 2001. Formal child support fell slightly from 1999 to 2002, although 60 percent of families report that they still receive informal child support. By 2002, only 12 percent of respondents said they had participated in a job training or job-readiness program, and only one percent had participated in a post-secondary education program. These are both significant declines from 1999.

"The IFS survey shows the importance of work supports in both maintaining employment and earning higher wages," said IFS project coordinator Laura Amsden, "but the question as to why more qualifying individuals are not using these supports needs further investigation."

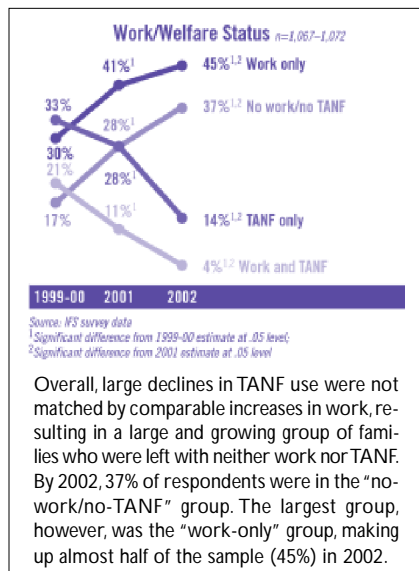
Equally important, the authors argued, are supports for those not working. Policymakers should reexamine job training and education; reconsider "get-tough" policies, such as sanctions and time limits; and provide intensive wrap-around services for families and their children.

Lewis pointed out that the results are still optimistic after several years of reform policies. "Illinois has found a good balance between carrots that encourage work and sticks that make staying on welfare less attractive," he suggested. "The country might be well served by following the Illinois example of this balance that turns welfare recipients into productive citizens."

The Illinois Families Study, conducted by the University Consortium on Welfare Reform, is following the same group of welfare recipients in nine Illinois counties for six years. The core of the study is an annual in-person survey of a random sample of 1,899 adults who were primary TANF grantees in the fall of 1998, a little more than a year after welfare reform was implemented. Surveys are also informed by administrative data. Participants were interviewed in 1999-00, 2001, and 2002.

The Consortium consists of Northwestern University, Northern Illinois University, University of Chicago, University of Illinois at Chicago, and Roosevelt University.

The latest report is available online at www.northwestern.edu/ipr/research/IFS.html.



nois recipients had reached their limit. This was mainly due to a policy that "stops the clock" when recipients are working or participating in activities such as job training or education. This was the case for 86 percent of IFS respondents at some point between July 1997 and June 2002.

Although some respondents might have been enrolled in educational programs or caring for sick or disabled family members, most of them were working. The groups most at risk of

CAPS: The Good, the Bad, the Results

Program's success depends on where Chicagoans live

Since 1993, a research team directed by IPR political scientist Wesley Skogan has been evaluating the Chicago Alternative Policing Strategy program, or CAPS, the nation's largest experiment in community policing. CAPS involves the creation of turf-oriented teams of police officers with long-term beat assignments, extensive community involvement and empowerment, and integration with improved city services. It encourages neighborhood problem-solving by both police and residents.

In its seventh report, detailing years eight and nine of the program, Skogan's team found that overall crime rates have dropped, particularly in African-American communities, and overall satisfaction with how the police are doing their job is up among all demographic groups. Chicago's murder rate has declined more slowly than in some other big cities, due largely to the fact that many of the murders being committed are closely linked to gang violence and street drug markets.

"While Mayor Daley is addressing the high homicide rate through the deployment of extra police units in high-crime areas, the real fix will likely come when more long-term solutions are in place, such as neighborhood development, better social services and an educational system that gives young people marketable skills," said Susan Hartnett, IPR research associate. "The real causes of these problems are beyond the capacities of the police."

Another dark cloud in this picture is the lack of involvement in CAPS by the city's Latinos, and the limited improvements visible in Latino neighborhoods. As the report noted, "Especially for Spanish-speakers, levels of social disorder and physical decay appeared substantially higher in 2001 than in 1994. The success of this aspect of CAPS depended on who

CAPS Archives Available on CD-Rom

All of the text files and data on CAPS from April 1993 to April 2003 are now available on CD-Rom. The archives contain all files submitted from 1993-1999 to the Inter-university Consortium for Political and Social Research (ICPSR) Criminal Justice Data Archive at the University of Michigan; seven Illinois Criminal Justice Information Authority (ICJIA) annual reports; seven ICJIA occasional reports; five National Institute of Justice research reports; a copy of the out-of-print book "On the Beat: Police and Community Problem Solving" published by Westview Press in 1999; and the complete collection of CAPS working papers to date (27). The CD-Rom is free for those requesting a single copy. It contains 155MB of information and can only be sent via post.

To obtain a copy of the CD-Rom, please contact capsproject@northwestern.edu

you were and where you lived."

This summer the CAPS evaluation team will conduct an intensive study of two Chicago Latino neighborhoods to investigate the reasons behind this decline, and what might work to increase Latino involvement in community policing.

New to the report is its description of the Chicago Police Department's (CPD) accountability process, Chicago's version of New York's well-known "CompStat" program. This initiative focuses resources on resolving chronic crime and disorder problems. Under the plan, each of the 25 police districts is held responsible for identifying local priorities, planning strategies to address them, and then executing their plans effectively. Coupled with new information systems, this "intelligence-driven policing" promises to deliver more effective responses to the city's most pressing problems.

For more information on the report or CAPS, please visit www.northwestern.edu/ipr.

Recently Published Books (continued from page 2)

Community Policing: Can It Work?

Edited by Wesley G. Skogan

Wadsworth, available June 2003, 272 pages



This book is the long-awaited culmination of the most extensive study of community policing's efficacy and was funded by the Searle Family Fund. The chapters cover all aspects of community policing, from management to implementation and public perception. The various contributors debate the question "Can community policing work?" with an impressive array

of surveys, case studies, field observations, and statistical data—and often arrive at conflicting conclusions. Contributors include Jeremy Travis, Jack R. Greene, John E. Eck, Stephen D. Mastroski, Dennis P. Rosenbaum, and Jeffrey A. Roth, among others.

In following how various experts address the question,

readers are also gaining important insights into the direction that future research will take on this issue.

The first two chapters, "Trends in the Adoption of Community Policing," and "Community Policing and Organization Change," address evidence of the extent to which community policing has actually been adopted around the United States. In the following chapter, "Representing the Community in Community Policing" is explored. Another section also deals with community policing from the perspective of the police officers, examining the impact of community policing on their work and whether these officers are "buying" into it.

The latter part of the book, "Community Policing and Problem Solving" and "Why Don't Problems Get Solved?" reviews the many obstacles to solving a community's problems.

The final chapter, "Community Policing and the Quality of Neighborhood Life," concludes that community policing can work.

From Congress to Comiskey

IPR faculty fellow delivers research and recommendations on education

Sociologist and IPR Faculty Fellow James Rosenbaum had a busy agenda in March, with briefings on special education and Gautreaux families before Congress and debunking the myth of college for all before an audience of Chicago public school educators.

The first briefing on “Special Education and Neighborhoods: Does Social Context Affect Placement?” took place in Washington, D.C. on March 7 with Stefanie DeLuca, an assistant professor at Johns Hopkins and a former IPR graduate student.

For 20 years, Professor Rosenbaum has been following residents in the Gautreaux Program, a program that is helping African-American families relocate from public housing to low- to middle- income neighborhoods in the city and the suburbs. In this study, he and DeLuca found strong evidence that racial composition and neighborhood resources can have a significant impact on whether children will be placed in their school’s special education programs. Essentially, the two have uncovered that

Rosenbaum advised the lawmakers against using standardized assessments, which he sees as being both a liberal and conservative response to correcting such inequities...

students with similar problems are being treated differently according to where they are.

The two researchers hypothesized that this discrepancy might result from 1) relativity, for example, these students are lagging academically behind their white counterparts in their new school environment, so they are placed in special education classes, and 2) cultural factors, where different schools have different cultural values, and black children are evaluated on different criteria in white schools than in black schools.

Rosenbaum advised the lawmakers against using standardized assessments, which he sees as being both a liberal and conservative response to correcting such inequities, to address the problem. Because more than 91 percent of all special education students in the U.S. have diagnoses that can be considered subjective and teachers are judging such students relative to the performance of their classmates, it would be difficult to completely standardize assessments, he pointed out.

In fact, placements may be contested and manipulated by how parents, teachers, and administrators perceive these contextual influences. The highly decentralized nature of school administrations also implies that issues will vary from location to location. A move across town to a different school might



IPR Faculty Fellow James Rosenbaum

not seem like much, but in some cases it could seem like a world apart from the student’s perspective.

Rosenbaum suggested that policymakers should take up this consideration of a wide range of specific local and contextual factors inside and outside of the school versus trying to fix special education with general reforms aimed at only teachers and their students.

Rosenbaum also hit a home run—figuratively speaking—in Comiskey Park, home of the Chicago White Sox, on March 20. The park, which was renamed US Cellular Field in January, was the venue for his briefing to more

than 300 Chicago public school educators on why college for all is a dangerous myth. Among the public school administrators were also representatives from the City Colleges of Chicago and the Chamber of Commerce. Rosenbaum said his talk scored runs with the attendees on how these communities could better connect on the issue of employment prospects for high school students.

Rosenbaum pitched them with his research that showed many high school students are not getting realistic information about what colleges require and whether they have what it takes to be successful in college. On top of that, many of these students are bypassing lucrative job opportunities that require only solid high school skills. Rosenbaum pointed out that a staggering 95 percent of high school seniors plan to go to college, but less than 50 percent of them will graduate with a degree. Schools, he said, need to do a better job of informing students about their realistic options.

Many employers complain of well-paying positions that go unfilled because they cannot find qualified applicants to fill them, he continued. These jobs do not require a college degree—or even college-level skills—just solid skills that can be taught and learned in high school. “The college-diploma mentality is distracting them from these jobs,” Rosenbaum remarked. Many of these jobs are in high-demand fields like mechanics and electronics, where the students have to work as apprentices for years at low pay, but once they are out on their own, they can make more than decent salaries. He cited the example of one such student who—at the tender age of 26—was earning \$66,000 per year, not including overtime.

He noted that it was refreshing to have employers as well as educators and administrators in the audience, especially because the employers do not always see eye-to-eye with the schools and the city on educational policies and reforms. “These are the people who can make things happen,” he said.

For more information on Professor Rosenbaum’s research, please visit www.northwestern.edu/ipr/people/rosenbaum.html.

The Glass Half Full

John McKnight's work builds on community assets, not deficiencies

If there is one image that could synthesize how John McKnight has spent the last three decades of his life, it is the image of a glass half full.

McKnight, an IPR faculty fellow and professor of communication studies and education and social policy, has devoted the last three decades of his life to teaching communities that to solve their problems, they must start by cataloguing their assets, not chronicling their problems.

McKnight's view stands in sharp contrast to how poor communities are generally viewed, especially by those who are paid to make lives in them better.

"We have lots of social workers focusing on meeting needs and looking at deficiencies, but these are people who see the glass as being half empty—not half full," McKnight said.

McKnight, who joined IPR in 1969 when it was known as the Center for Urban Affairs, gave the Institute's Distinguished Public Policy Lecture on May 29 at Northwestern University. McKnight will be retiring from teaching this summer, but will continue his work lecturing, consulting, and training with the Asset-Based Community Development Institute (ABCD) that he co-founded with John Kretzmann in 1995.

An early advocate in the civil rights movement, McKnight's first job after three years in the Navy was working in the

newly created Chicago Commission on Human Relations, the city's first human rights organization in 1956. He helped to organize neighborhoods that were quickly shifting from predominantly white to African American—neighborhoods where whites would sometimes throw bricks at African-Americans' windows or try to burn down their homes.

"This was the most significant time in my working life," he said. "It helped to create my understanding of how to activate low-income people to become powerful citizens."

McKnight continued his work in the civil rights movement, leaving his mark on how the nation viewed and treated minorities. Under the Kennedy administration, he helped to define how government contractors implemented affirmative action.

When he first joined IPR, he conducted research on redlining in Chicago with

former IPR professor Andrew Gordon in the early 1970s. Redlining is a discriminatory practice in which banks refuse to grant loans to people living in certain communities, i.e., low-income African-American neighborhoods. Their research was used to design federal legislation to prohibit the practice.

At the same time, he continued to follow his vision of the glass half full—of focusing on assets, not deficiencies—and this led him into areas where one might not have expected him to go. Take, for example, his work on epilepsy.

In the 1980s, McKnight started working with Steve Whitman,

(continued on page 9)



*Is the glass half full or half empty?
John McKnight makes his point.*

Streams of Influence

McKnight's work has had three major influences: a Chicago community organizer, an Austrian born philosopher, and a 19th-century French nobleman.

Saul Alinsky, who wrote "Reveille for Radicals" in 1946, taught him that organizing communities was the key to politicizing citizens and bringing about social change. Instead of a focus on deficiencies, communities should seek out their strengths and use them to overcome their deficiencies. McKnight would later employ Alinsky's organizing techniques, which he learned when he came to Northwestern as an undergraduate.

McKnight was "adopted" by social

critic Ivan Illich, who shared his belief that many low-income communities were being "colonized" by professionals focused on meeting needs. Compounded by this "institutionalization" of their communities, these residents have been "schooled" in a culture of dependency, instead of self-reliance, and their communities were decaying because of it.

Finally, Alexis de Tocqueville, who wrote "Democracy in America", which was published in two volumes in 1835 (I) and 1840 (II), showed him "how the U.S. was built through citizen's organizations, and how associations were the basic building blocks for democracy—not government or institutions."

Add these together and one begins to

see how McKnight was led to the belief that the key to solving some of the nation's most pressing social problems—poverty, health care, crime, and joblessness—lies within the grasp of every community in the nation and the world.

His blueprint for helping communities to help themselves is outlined in "Building Communities from the Inside Out: A Path Toward Finding and Mobilizing Community Assets," a book which he co-wrote with John Kretzmann in 1993. To date, more than 83,000 copies of this "bible" of community building have been printed.

an epidemiologist. Following the idea that good health is more a result of good community than the right pill led the duo to identify a nonmedical method of reducing the intensity and quantity of a person's epileptic seizures through relaxation techniques. These techniques are still used today.

Another area where McKnight has had an enormous amount of influence is in how charities regard those they serve and the funds they raise for them. In 1992, the United Way of America, the nation's premier fundraising charity in the workplace, was racked by scandal. Its then-president and CEO, William V. Armony, was indicted of fraud and embezzling from the charity. Its new president felt it was time to redefine what the United Way represented. So the charity asked McKnight and Kretzmann to conduct a couple of workshops to teach executives how to focus on assets instead of deficiencies. Seven years and 420 executives later, the two have shown not only United Way how to adopt their asset-based approach to community development, but also more than 100 local community foundations as well.

Beyond the U.S., McKnight has shown that these concepts travel well. He has journeyed to Brazil, Canada, and the United Kingdom, to name a few. This spring he was invited back to Holland by the Dutch Council of Mayors to see the results of eight community organizations that had adopted his principles. In the Canadian city of Prince George—perhaps his most well-publicized action outside of the U.S.—McKnight helped the community to bring some of its most isolated citizens, the developmentally disabled, back into mainstream society.

The word "inspiration" resurfaces again and again in speaking about McKnight's accomplishments. He is not a one-man show, but rather a catalyst who propels others to visions of half-full glasses. Al Etmanski, executive director of the Planned Lifetime Advocacy Network in Vancouver, started working with McKnight in the mid-1980s. "John nurtures people and has literally taken hundreds of people, like me, under his wing," he said. "He is constantly liberating our thinking and showing us that small things—like calling people 'citizens' instead of 'clients'—can have huge results."

That small name change represents so much. At the heart of what he does lies an understanding of the Greek word

Building the Mercado Central: Asset-Based Development and Ethnic Entrepreneurship (forthcoming 2003)



Thousands of cities and towns across the country have growing populations of immigrants from all over the globe. Many of these communities face the challenge of building bridges between long-term residents and newcomers that enable the newcomers to become a part of the larger community and to maintain and share their rich cultural traditions. The latest workbook in the ABCD Series, "Building the Mercado Central," tells the story of a Latino community in Minneapolis that believed in its own capacity to transform its collective vision of home and neighborhood into reality. The resulting retail business cooperative and incubator reflects the Latino tradition of a centrally located public marketplace that provides opportunities for meeting and civic engagement, economic activity and entrepreneurship, and cultural expression through the arts and dance.

demos, the common people. This does not seem surprising for a boy from Ohio, captivated by his high school civics class.

"Democracy is not a space dominated by clients or consumers or the objects of institutions, but a space dominated by citizens," he remarked. "For those who think that a citizen is just someone who votes, they have a radical misunderstanding of what a citizen is and can do."

For more information on McKnight's work, the ABCD Institute, or to download a copy of John McKnight's Distinguished Public Policy Lecture, "Regenerating Community: The Recovery of a Space for Citizens," please visit www.northwestern.edu/ipr/.

IPR Distinguished Public Policy Lecture Series

On May 29, the Institute for Policy Research held its tenth Distinguished Public Policy Lecture. Professor John McKnight, who spoke on "Regenerating Community: The Recovery of a Space for Citizens," joined a number of academics, politicians, and government officials who have taken the podium at Northwestern to address current topics in public policy.

Established in 1994, the first IPR lecture was delivered two years before the landmark Welfare Reform Act of 1996, when Health and Human Services

secretary Donna Shalala outlined the Clinton administration's goals for overhauling public aid programs.

In January 1996, David Ellwood of the Kennedy School of Government examined the collapse of many of the reforms Shalala had envisioned in the context of a new Congress and shifting ideological winds.

The following year, in 1997, former U.S. Senator Paul Simon gave a wide-ranging speech in which he addressed how public policy affects the American labor market, and in particular, how the U.S. and Illinois

could do more to boost education.

In 1999, economist Rebecca Blank, then a member of the President's Council of Economic Advisers, described which social services would fare best—and worst—under privatization.

Other speakers have included Eleanor Chelimsky, a former assistant comptroller at the General Accounting Office; Yale professor and education reformer James Comer on "Why Schools Can't Solve our Problems"; and most recently, U.S. Representative Jan Schakowsky (D-IL) on citizen activism.

Working It Out (continued from page 1)

Given the politically charged nature of the debate and *Science's* prestige and dissemination network, the resulting coverage was not surprising. "The U.S. is very ambivalent about mothers in the workforce and the effect that it has on kids," said Chase-Lansdale, faculty fellow at IPR and professor of developmental psychology. "We touched a nerve."

Conscious of the fact that their findings could play to either side of the welfare debate, the researchers felt it was not their role to take sides or to make policy recommendations, but instead, to provide unbiased information that could frame the ensuing dialogue. "We wanted to be respected as scientists on both sides of the aisle," Chase-Lansdale said. The thrust of the study, she pointed out, was to provide answers to the question, "How do children function when their mothers go to work or leave welfare?"

The findings of the *Science* study fit with earlier studies on maternal employment and welfare participation, with one exception, according to Chase-Lansdale. In contrast to earlier experimental studies that found negative effects of maternal employment on adolescents, the *Science* study found no evidence of harmful effects on adolescents. In fact, the study reports slight evidence that mothers' entry into the labor force was related to improvements in adolescents' mental health, while exits from employment were linked with teenagers' increased behavior problems.

In other words, the basic thrust of welfare reform—requiring mothers to make the transition from welfare to work—might not be as harmful to children as many people feared when the legislation was passed in 1996 and might even be beneficial to teenagers' mental health.

Though the study found that on average no one was helped or harmed by the fact that their mothers went back to work, that does not mean that there were not subgroups where these factors negated one another.

"The positive and negative aspects of going off welfare or getting a job may cancel each other out," Chase-Lansdale said. She explained that when mothers of preschoolers went to

work, for example, family income increased and the time mothers spent with their children decreased, effectively offsetting one another.

But for adolescents the researchers did not find a tradeoff between time and money. While family income increased with employment, mothers did not substantially reduce their time with adolescents.

Evidence from earlier studies seems to show that mothers are able to compensate for time away from children due to employment by cutting down on sleep, leisure, or volunteer activities. Accordingly, time-use data from the *Science* study suggest that when mothers went to work, they cut back on personal, social, and educational activities that did not involve their children.

Chase-Lansdale presented the findings at the Brookings Institution, a prestigious Washington, D.C. think tank, on April 14. Policymakers, advocates, and congressional staff attended the briefing, including Wade Horn, the Assistant Secretary for Children and Families in the U.S. Department of Health and Human Services.

Comments from the audience brought up an important point on why this research was conducted in the first place: "The focus on welfare reform should not blind us to the fact that these mothers and their children are still living in poverty," she said. "Even though our findings seem to show no harm, we still have more to do to improve the lives of these children and their parents."

In addition to Chase-Lansdale, the study's co-investigators include Brenda J. Lohman and Elizabeth Votruba-Drzal of Northwestern; Robert A. Moffitt, Andrew J. Cherlin, and Jennifer Roff of Johns Hopkins University; Rebekah Levine Coley of Boston College; and Laura D. Pittman of Northern Illinois University. The study's funding was provided by the National Institute of Child Health and Human Development, five other federal agencies, and 14 private foundations.

For more information on the Three-City Study, please visit www.northwestern.edu/ipr/research/childdev.html.

Dire Straits for States (continued from page 1)

conference was jointly sponsored by the Tax Policy Center, a joint venture of the Brookings Institution and the Urban Institute, the Kellogg School of Management, and the Institute for Policy Research.

The academics and experts wasted no time in challenging some of the myths and preconceived notions of the current crisis and debating the perceived causes. The presenters all concurred that the 2001 recession was shallower than the previous recession in 1991, but that the fiscal crisis facing the states is puzzlingly more severe.

Elaine Maag of the Urban Institute and David Merriman, a professor at Loyola University Chicago, found that the current political climate was exacerbating the states' fiscal crises. They projected that if state lawmakers would have enacted the same tax increases in 2002 and 2003 that they did in 1991 and 1992—when personal income and sales taxes were raised between 2

and 4 percent—the states would have cut their collective fiscal shortfall by two-thirds.

The legacy, however, of "Read my lips, no new taxes" and the enactment of term limits has encouraged state legislators to embrace popular quick fixes rather than pushing through politically precarious solutions such as raising state income or sales taxes. Maag and Merriman foresee policymakers running out of short-term solutions by 2004.

While the situation for states seems bleak, is it really as bleak as it seems? According to the National Governor's Association, the states seem to be facing the "most dire fiscal situation since World War II." In fact, Arik Levinson, an associate professor at Georgetown University, and Christian Gonzalez, a consultant with the World Bank, found that the states entered the recession in March 2001 with the highest level of savings

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The Changing Face of Public Housing

IPR helps students to understand the challenges facing residents

It was a bitter-gray Chicago morning when about 30 Northwestern students got a first-hand glimpse of what daily life in public housing was like. The daylong tour took them through some of Chicago's notorious public housing sites, including Cabrini-Green, Robert Lathrop Homes, and Stateway Gardens.

Accompanying the students on their tour, IPR Faculty Fellow Dan A. Lewis, professor of education and social policy, likened what they were seeing to remnants of an urban civilization that represent a tragic, but significant, period in American civilization. "It's one thing to read about these sites in books and quite another to come down here and talk with the residents," he said. "Putting these two together makes an incredibly strong learning experience."

The public-housing tour capped off the second event in the Inaugural Undergraduate Series, "The Changing Face of Public Housing: Lessons from Chicago," in February. It covered the topic from a variety of viewpoints, including those of academics, students, activists, and residents. IPR was one of the event's cosponsors.

Dr. Susan Popkin, senior research associate at the Urban Institute in

Washington, D.C., gave the keynote lecture on Hope VI, the \$5 billion, 1992 federal program, which is funding the demolition and replacement of severely



Alexander Polikoff shares his insight with students on the Gautreaux housing suit.

distressed public housing. In two studies of more than 1,600 public housing residents in 13 cities, Popkin and her colleagues found evidence that the residents who move do end up in better housing in better neighborhoods, but many of these families are still struggling to adjust to the private market. Others face barriers that may prevent them from making a successful transition out of dilapidated public housing. Solutions to help these residents, such as transitional housing, are costly, but without them, the

program will leave many behind in precarious conditions, she advised.

The lead lawyer in the original Gautreaux housing suit, Alexander Polikoff, spoke about his experiences and gave a historical overview in "Waiting for Gautreaux: Reflections and Conundrums about Chicago's Long-Running Public Housing Desegregation Case." Polikoff is Senior Staff Counsel with Business and Professional People for the Public Interest.

Three IPR faculty fellows, sociologist James Rosenbaum, ethnographer Kathryn Edin, and economist Greg Duncan, have also studied the challenges that low-income public housing residents face in moving out of decaying, crime-ridden projects into low- and middle-income communities: program inefficiencies, a tight housing market, and predatory landlords to name a few. In their study of Gautreaux families, they found that the barriers they face in relocating are large, but not insurmountable.

Northwestern undergraduates Laurie Jaeckel and Dale Vieregge started the series to encourage undergraduates to engage policymakers and to understand the importance of social policy.

Dire Straits for States (continued from page 10)

ever. They also pointed out that these "rainy-day funds" seem to be large enough to cover states' fiscal crises for a few years, and they cast doubt on the idea that the state fiscal crises are the result of a revenue bubble. Overall, they found that the states "entered the recession of 2001 much better prepared than they would have been without those savings and much better prepared than for the recessions of the previous several decades."

On the other hand, David Sjoquist and Sally Wallace, professors at Georgia State University, did find evidence that the states were affected by a revenue bubble. They examined the contribution of capital gains income to total state personal taxable income. They found that a boost in capital gains realizations lifted income tax revenues. This boost, in turn,

led some states to reduce income tax or other taxes. So when the economy soured and capital gains with it, it made it more difficult for states to weather the downturn. "States certainly can't fully insulate themselves from downturns in the economy, but the lesson of capital gains speaks to the importance of tax base diversification and the need for awareness of transitory versus permanent increases in tax bases," the authors wrote.

Other researchers found that capital gains were only part of the explanation for the recent deterioration in state and local budgets. Using data from the National Income and Product Accounts (NIPA) for state and local governments, Brian Knight, a professor at Brown University, and Andrea Kusko and Laura Rubin, economists with the Federal Reserve Board, found that the economic

slowdown and the decline in capital gains realizations explain roughly one-third of the budget deterioration between 1998 and 2002, with the effects of both of these macroeconomic factors showing up after 2000. They point to other factors, such as reduced taxes and the recent acceleration in Medicaid spending, as having played a larger role in the current crisis than these factors played in the crises of the early 1980s and early 1990s.

"Once again it takes a fiscal crisis to impress upon states the need for structural reform of their revenue systems," McGuire said, "and the prospects for reform look even bleaker this time around."

For more information on the conference, please visit www.taxpolicycenter.org/sfc2003.

Fine Fellows

Two IPR faculty join prestigious scholarly bodies

This spring, IPR faculty members Thomas Cook and Benjamin Page were honored with membership in two of the nation's leading scholarly societies.



Benjamin Page

IPR Faculty Associate Page was one of seven Northwestern faculty members elected to American Academy of Arts and Sciences in May. The AAAS was founded in 1780

and is one of the nation's most prestigious learned societies, with 4,300 members, including more than 150 Nobel laureates and 50 Pulitzer Prize winners. Fellows are chosen in a highly selective process for outstanding contributions to their respective fields.

Page, a political scientist and the Gordon S. Fulcher Professor of Decision Making, is known for his work in public opinion and policymaking, empirical democratic theory, political economy, policy formation, the presidency, and American foreign policy. He is currently studying the mass media, the role of international law in American foreign policy, and public policy and inequality in the context of globalization.

He is author of a number of articles, including "Effects of Public Opinion on Policy" and "What Moves Public Opinion," both in the *American Political Science*

Review, and seven books, including "Who Deliberates? Mass Media in Modern Democracy" (University of Chicago Press, 1996) and "What Government Can Do: Dealing with Poverty and Inequality" (with James Simmons, University of Chicago Press, 2000).

Other IPR faculty members who have also been inducted into the AAAS are Thomas Cook, economists Greg Duncan, the Edwina S. Tarry Professor in Education, and Charles Manski, the Board of Trustees Professor in Economics. In all, 53 Northwestern faculty members belong to the Society.

IPR Faculty Fellow Thomas Cook was inducted into the American Academy of Political and Social Science (AAPSS) on April 13 as the 2003 Margaret Mead Fellow. Cook, who is the John Evans Professor of Sociology at Northwestern, is one of the nation's leading experts on whole school reform. Cook's wide-ranging expertise also extends to social science research methodology, program evaluation, and contextual factors that influence adolescent development, particularly for urban minorities.

A prolific scholar, he has authored or coauthored numerous journal articles and books, including "Why Have Educational Evaluators Chosen Not to Do Randomized Experiments?" (forthcoming in *Educational Evaluation and Policy Analysis*), "Experimental and Quasi-Ex-

perimental Designs for General Casual Inference" (with W.R. Shadish and D.T. Campbell, Houghton Mifflin, 2001) and "Managing to Make It: Urban Families in High-Risk Neighborhoods" (with F.F. Furstenberg, et al., University of Chicago Press, 1999).



Thomas Cook receives his award from Lawrence Sherman, President of the AAPSS.

The AAPSS was chartered in 1891 to promote "the progress of the political and social sciences" and was one of the first academic venues to call for equal rights in the workplace and racial equality in social life. It has only recently begun to appoint fellows again, and this is the fourth year of that process.

Also among the 10 inductees were statistician Sir David Cox, fellow of Imperial College at Oxford; sociologist Christopher Jencks, a former IPR faculty fellow now with the Kennedy School of Government at Harvard; and economist Amartya Sen, Master of Trinity College at Cambridge and the 1998 Nobel laureate in economics.

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