Losing Ground

Charles Murray, 1984

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Chapter 16. The Constraints on Helping

Let me suggest some characteristics … that occur so widely and for such embedded reasons that they suggest laws. … [W]e cannot, in a free society, design programs that escape their influence .

#1. The Law of Imperfect Selection. *Any objective rule that defines eligibility for a social transfer program will irrationally exclude some persons.*

It can always be demonstrated that some persons who are excluded from the Food Stamps program are in greater need than some persons who receive Food Stamps. It can always be demonstrated that someone who is technically ineligible for Medicaid really "ought" to be receiving it, given the intent of the legislation.

These inequities … are not the fault of inept writers of eligibility rules, but an inescapable outcome of the task of rule-writing. Eligibility rules must convert the concept of "true need" into objectified elements. The rules constructed from these bits and pieces are necessarily subject to what Herbert Costner has called "epistemic error" – the inevitable gap between quantified measures and the concept they are intended to capture. …

Social welfare policy in earlier times tended to deal with this problem by erring in the direction of exclusion: better to deny help to some truly needy persons than to let a few slackers slip through. … Whenever a person was inappropriately given help, it was bad for the recipient (undermining his character) and a bad example to the community at large.

When that assumption is weakened or dispensed with, … the Law of Imperfect Selection leads to programs with constantly broadening target populations. If persons are not to blame for their plight, no real harm is done by giving them help they do not fully "need." No moral cost is incurred by permitting some undeserving into the program. A moral cost is incurred by excluding a deserving person. …

#2. The Law of Unintended Rewards. *Any social transfer increases the net value of being in the condition that prompted the transfer.*

A deficiency is observed – too little money, too little food, too little academic achievement – and a social transfer program tries to fill the gap with a welfare payment, Food Stamps, a compensatory education program. An unwanted behavior is observed – drug addiction, crime, unemployability – and the program tries to change that behavior to some other, better behavior: through a drug rehabilitation program, psychotherapy, vocational training. In each case, the program, however unintentionally, *must* be constructed in such a way that it increases the net value of being in the condition that it seeks to change, either by increasing the rewards or by reducing the penalties. …

Let us consider the implications in terms of the archetypical social program for helping the chronic unemployed escape their condition, the job-training program.

Imagine that a program is begun that has the most basic and benign inducement of all, the chance to learn a marketable skill. It is open to everybody. By opening it to all, we have circumvented (for the time being) the Law of Unintended Rewards. All may obtain the training, no matter what their job history, so no unintended reward is being given for the condition of chronic unemployment.

On assessing the results, we observe that the ones who enter the program, stick with it, and learn a skill include very few of the hardcore unemployed whom we most wanted to help. The typical "success" stories from our training program are persons with a history of steady employment who wanted to upgrade their earning power. This is admirable. But what about the hardcore unemployed? A considerable number entered the program, but almost all of them dropped out or failed to get jobs once they left. …

The alternative is to do something to get more of the hardcore unemployed into the program, and to improve the content so that more of them profit from the training. And once this alternative is taken, the program planner is caught in the trap of unintended rewards. Because we cannot … coerce … participation, our only alternative is to make it more attractive by changing the rules a bit.

Suppose, for example, we find that the reason many did not profit from the earlier program was that they got fired from (or quit) their new jobs within a few days of getting them, and that the reason they did so had to do with the job- readiness problem. The ex-trainee was late getting to work, the boss complained, the ex-trainee reacted angrily and was fired. We observe this to be a common pattern. We know the problem is not that the ex-trainee is lazy or unmotivated, but that he has never been socialized into the discipline of the workplace. He needs more time, more help, more patience than other workers until he develops the needed work habits. Suppose that we try to compensate– for example, by placing our trainees with employers who are being subsidized to hire such persons. The employer accepts lower productivity and other problems in return for a payment to do so … .

Given identical work at identical pay, the ex-trainee is being rewarded for his "credential" of hardcore unemployment. He can get away with behavior that an ordinary worker cannot get away with. …

What of the case of a drug addict who is chronically unemployed because … of the addiction? It might seem that the unintended reward in such a case is innocuous; it consists of measures to relieve the addict of his addiction, measures for which the nonaddict will have no need or use. If we were dealing with an involuntary disability … the argument would be valid. But in the case of drug addiction (or any other behavior that has its rewards), a painless cure generally increases the attractiveness of the behavior. Imagine, for example, a pill that instantly and painlessly relieved dependence on heroin, and the subsequent effects on heroin use. Thus we are faced with the problem we observed in the thought experiment. The program that seeks to change behavior must offer an inducement that unavoidably either adds to the attraction of, or reduces the penalties of engaging in, the behavior in question. …

… Why then can we not simply bring a bit of care to the design of such programs, making sure that the unintended reward is *always* small? The reason we are not free to do so lies in the third law of social programs:

#3. The Law of Net Harm. *The less likely it is that the unwanted behavior will change voluntarily, the more likely it is that a program to induce change will cause net harm.*

A social program that seeks to change behavior must … induce participation by the persons who are to benefit, [and] must actually produce the desired change in behavior. …

…[A]s inducements become large – as they must, if the program is dealing with the most intractable problems – the more attractive they become to people who were not in need of help in the first place. …

My conclusion is that social programs in a democratic society tend to produce net harm in dealing with the most difficult problems. They will inherently tend to have enough of an inducement to produce bad behavior and not enough of a solution to stimulate good behavior; and the more difficult the problem, the more likely it is that this relationship will prevail. The lesson is not that we can do no good at all, but that we must pick our shots.

Chapter 17. Choosing a Future

I begin with the proposition that it is within our resources to do enormous good for some people quickly. We have available to us a program that would convert a large proportion of the younger generation of hardcore unemployed into steady workers making a living wage. The same program would drastically reduce births to single teenage girls. It would reverse the trendline in the breakup of poor families. It would measurably increase the upward socioeconomic mobility of poor families. These improvements would affect … millions of persons.

All these are results that have eluded the efforts of the social programs installed since 1965, yet, from everything we know, there is no real question about whether they would occur under the program I propose. A wide variety of persuasive evidence from our own culture and around the world, from experimental data and longitudinal studies, from theory and practice, suggests that the program would achieve such results.

The proposed program, our final and most ambitious thought experiment, consists of scrapping the entire federal welfare and income-support structure for working-aged persons, including AFDC [welfare], Medicaid, Food Stamps, Unemployment Insurance, Worker's Compensation, subsidized housing, disability insurance, and the rest. It would leave the working-aged person with no recourse whatsoever except the job market, family members, friends, and public or private locally funded services. It is the Alexandrian solution: cut the knot, for there is no way to untie it.

It is difficult to examine such a proposal dispassionately. Those who dislike paying for welfare are for it without thinking. Others reflexively imagine bread lines and people starving in the streets. But as a means of gaining fresh perspective on the problem of effective reform, let us consider what this hypothetical society might look like.

A large majority of the population is unaffected. A surprising number of the huge American middle and working classes go from birth to grave without using any social welfare benefits until they receive their first Social Security check.

Another portion of the population is technically affected, but the change in income is so small or sporadic that it makes no difference in quality of life.

A third group comprises persons who have to make new arrangements and behave in different ways. Sons and daughters who fail to find work continue to live with their parents or relatives or friends. Teenaged mothers have to rely on support from their parents or the father of the child and perhaps work as well. People laid off from work have to use their own savings or borrow from others to make do until the next job is found. All these changes involve great disruption in expectations and accustomed roles.

Along with the disruptions go other changes in behavior. Some parents do not want their young adult children continuing to live off their income, and become quite insistent about their children learning skills and getting jobs. This attitude is most prevalent among single mothers who have to depend most critically on the earning power of their offspring.

Parents tend to become upset at the prospect of a daughter's bringing home a baby that must be entirely supported on an already inadequate income. Some become so upset that they spend considerable parental energy avoiding such an eventuality. Potential fathers of such babies find themselves under more pressure not to cause such a problem, or to help with its solution if it occurs.

Adolescents who were not job-ready find they are job-ready after all. It turns out that they can work for low wages and accept the discipline of the workplace if the alternative is grim enough. After a few years, many – not all, but many – find that they have acquired salable skills, or that they are at the right place at the right time, or otherwise find that the original entry-level job has gradually been transformed into a secure job paying a decent wage. A few – not a lot, but a few – find that the process leads to affluence. Perhaps the most rightful, deserved benefit goes to the much larger population of low-income families who have been doing things right all along and have been punished for it: the young man who has taken responsibility for his wife and child even though his friends with the same choice have called him a fool; the single mother who has worked full time and forfeited her right to welfare for very little extra money; the parents who have set an example for their children even as the rules of the game have taught their children that the example is outmoded. For these millions of people, the instantaneous result is that no one makes fun of them any longer. The longer-term result will be that they regain the status that is properly theirs. They will not only be the bedrock upon which the community is founded (which they always have been), they will be recognized as such. … When it becomes highly dysfunctional for a person to be dependent, status will accrue to being independent, and in fairly short order. …

The prospective advantages are real and extremely plausible. In fact, if a government program of the traditional sort (one that would "do" something rather than simply get out of the way) could *as plausibly* promise these advantages, its passage would be a foregone conclusion. Congress, yearning for programs that are not retreads of failures, would be prepared to spend billions. … For let me be quite clear: I am not suggesting that we dismantle income support for the working-aged to balance the budget or punish welfare cheats. I am hypothesizing, with the advantage of powerful collateral evidence, that the lives of large numbers of poor people would be radically changed for the better.

There is, however, a fourth segment of the population yet to be considered, those who are pauperized by the withdrawal of government supports and unable to make alternate arrangements: the teenaged mother who has no one to turn to; the incapacitated or the inept who are thrown out of the house; those to whom economic conditions have brought long periods in which there is no work to be had; those with illnesses not covered by insurance. What of these situations? The first resort is the network of local services. Poor communities in our hypothetical society are still dotted with storefront health clinics, emergency relief agencies, employment services, legal services. They depend for support on local taxes or local philanthropy, and the local taxpayers and philanthropists tend to scrutinize them rather closely. But, by the same token, they also receive considerably more resources than they formerly did. The dismantling of the federal services has poured tens of billions of dollars back into the private economy. Some of that money no doubt has been spent on Mercedes and summer homes on the Cape. But some has been spent on capital investments that generate new jobs. And some has been spent on increased local services to the poor, voluntarily or as decreed by the municipality.

But we must expect that a large number of people will fall between the cracks. How might we go about trying to retain the advantages of a zero-level welfare stem and still address the residual needs? As we think about the nature of the population still in need, it becomes apparent that their basic problem in the vast majority of the cases is the lack of a job, and this problem is temporary. What they need is something to tide them over while finding a new place in the economy. So our first step is to reinstall the Unemployment Insurance program in more or less its previous form. Properly administered, unemployment insurance makes sense. Even if it is restored with all the defects of current practice, the negative effects of Unemployment Insurance *alone* are relatively minor. Our objective is not to wipe out chicanery or to construct a theoretically unblemished system, but to meet legitimate human needs without doing more harm than good. Unemployment Insurance is one of the least harmful ways of contributing to such ends. Thus the system has been amended to take care of the victims of short-term swings in the economy.

Who is left? We are now down to the hardest of the hard core of the welfare-dependent. They have no jobs. They have been unable to find jobs (or have not tried to find jobs) for a longer period of time than the unemployment benefits cover. They have no families who will help. They have no friends who will help. For some reason, they cannot get help from local services or private charities except for the soup kitchen and a bed in the Salvation Army hall. What will be the size of this population? We have never tried a zero-level federal welfare system under conditions of late-twentieth-century national wealth, so we cannot do more than speculate. But we may speculate. Let us ask of whom the population might consist and how they might fare.

For any category of "needy" we may name, we find ourselves driven to one of two lines of thought. Either the person is in a category that is going to be at the top of the list of services that localities vote for themselves, and at the top of the list of private services, or the person is in a category where help really is not all that essential or desirable. The burden of the conclusion is not that every single person will be taken care of, but that the extent of resources to deal with needs is likely to be very great – not based on wishful thinking, but on extrapolations from reality.

To illustrate, let us consider the plight of the stereotypical welfare mother – never married, no skills, small children, no steady help from a man. It is safe to say that, now as in the 1950s, there is no one who has less sympathy from the white middle class, which is to be the source of most of the money for the private and local services we envision. Yet this same white middle class is a soft touch for people trying to make it on their own, and a soft touch for "deserving" needy mothers – AFDC was one of the most widely popular of the New Deal welfare measures, intended as it was for widows with small children.

Thus we may envision two quite different scenarios. In one scenario, the woman is presenting the local or private service with this proposition: “Help me find a job and daycare for my children, and I will take care of the rest.” In effect, she puts herself into the same category as the widow and the deserted wife – identifies herself as one of the most obviously deserving of the deserving poor. Welfare mothers who want to get into the labor force are likely to find a wide range of help. In the other scenario, she asks for an outright and indefinite cash grant–in effect, a private or local version of AFDC, so that she can stay with the children and not hold a job. In the latter case, it is very easy to imagine situations in which she will not be able to find a local service or a private philanthropy to provide the help she seeks. The question we must now ask is: What’s so bad about that? If children were always better off being with their mother all day and if, by the act of giving birth, a mother acquired the inalienable right to be with the child, then her situation would be unjust to her and injurious to her children. Neither assertion can be defended, however, especially not in the 1980s, when more mothers of all classes work away from the home than ever before, and even more especially not in view of the empirical record for the children growing up under the current welfare system. Why should the mother be exempted by the system from the pressures that must affect everyone else’s decision to work? …

Billions for equal opportunity, not one cent for equal outcome. … Some people are better than others. They deserve more of society’s rewards, of which money is only one small part. A principal function of social policy is to make sure they have the opportunity to reap those rewards. Government cannot identify the worthy but it can protect a society in which the worthy can identify themselves. I am proposing triage of a sort, triage by self-selection. In triage on the battlefield, the doctor makes the decision: this one gets treatment, that one waits, the other one is made comfortable while waiting to die. In our social triage, the decision is left up to the patient. The patient always has the right to say “I can do X” and get a chance to prove it. Society always has the right to hold him to that pledge. The patient always has the right to fail. Society always has the right to let him.

There is in this stance no lack of compassion but a presumption of respect. People – all people, black or white, rich or poor – may be unequally responsible for what has happened to them in the past, but all are equally responsible for what they do next. Just as in our idealized educational system a student can come back a third, fourth, or fifth time to a course, in our idealized society a person can fail repeatedly and always be qualified for another chance – to try again, to try something easier, to try something different. The options are always open. Opportunity is endless. There is no punishment for failure, only a total absence of rewards. Society – or our idealized society – should be preoccupied with making sure that achievement is rewarded.