The Underclass: Definition and Measurement

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The term "underclass" has been widely used by journalists and by some social scientists but, until recently, has not been clearly defined or quantified. Most of the recent quantitatively oriented literature on the topic has used a definition that emphasizes either the persistence of poverty or the number of people living in neighborhoods where the incidence of poverty or dysfunctional behavior is high. Conclusions about the size and growth of the underclass are sensitive to the definition chosen, but most available evidence suggests that it is small but growing.

IN RECENT YEARS THE MEDIA IN THE UNITED STATES HAVE popularized the use of the term "underclass." In most people's minds the term conjures up a group of people who live in the inner city. They are usually thought to be poor, jobless, and uneducated. They may also be dependent on welfare, involved in crime or with drugs, and living in single-parent families. Often, it is assumed that they are black.

What reality, if any, lies behind these images? Until recently, most of the research on the underclass has relied on field observations or case studies that provide valuable but somewhat impressionistic and difficult-to-verify insights into the lives of the most disadvantaged (*1*). Now some more quantitatively oriented research has begun to emerge. This research has made it possible to begin to measure and analyze the size, composition, and growth of the underclass.

Poverty and the Underclass

The first challenge is to distinguish the underclass from the poor. The government counts as poor anyone who lives in a family with an annual income below certain threshold levels. These thresholds, originally established in the mid-1960s, vary with family size and are adjusted for inflation each year. For example, the current threshold for a family of four is $12,092. In 1988, there were 32 million people (13.1% of the population) living in poor families.

During the past 20 years, social scientists have become quite comfortable with thinking about the disadvantaged as those whose incomes fall below the official poverty thresholds and have turned out countless research articles based on this criterion (*2*). However, simple indicators of the adequacy of a family's cash income for a 1-year period reveal nothing about the duration of, the reasons for, or the social context of this dearth of income. Graduate students, elderly widows who own their own homes, farmers experiencing a bad crop year, welfare mothers, and immigrants working in low-paid jobs are all likely to be included in the poverty count. Some finer distinctions seem desirable. Attempts to define the underclass can be viewed as one move in that direction, even though not everyone defines the underclass strictly as a subset of the poor.

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Measures of the Underclass

Persistence-based measures. Some researchers have stressed the persistence of poverty as the key element in defining the underclass (*3, 4*). Members of the underclass can then be thought of as that subset of the poor who have chronically low incomes. In the extreme, persistence can extend for a lifetime or even across generations, leading to a total lack of social mobility, and thereby capturing at least part of what is meant by the term "class." Although the extent of lifetime poverty cannot be documented with existing data, it is possible to come up with estimates of the persistently poor that vary with the number of years used to define persistence. If the underclass were defined as the population that experiences eight or more years of poverty, then about one-fifth of the poor or about 6 million people could be considered members of the underclass (*3*). Obviously, the longer the time period chosen to define persistence, the smaller the estimate of the size of the underclass, so that the use of a lifetime of poverty as a basis, for example, could reduce this figure to 1 or 2 million (although this is no more than an educated guess).

Behavior-based measures. Another approach used to define the underclass emphasizes behavior or attitudes rather than income (*5*). The underclass is defined conceptually as a group of people who do not behave in accordance with existing social norms. These social norms are not invariant across cultures or historical periods, but today in the United States it is generally expected that young people will complete their education, at least through high school; that they will delay childbearing until they are able to support their offspring; that adults who are not old, disabled, or supported by a spouse will work; and that everyone will be law-abiding. Both ethnographic and journalistic accounts usually refer to the high incidence of crime, welfare dependency, joblessness, teenage pregnancy, child abuse, and other dysfunctional behaviors in describing the underclass. Some members of the underclass—criminals, for example—may not have low incomes, but their behavior is both individually and socially harmful. Conversely, some members of the poverty population—widows and those working full time at low wages, for example—have low incomes despite their conformity with mainstream norms.

One way to measure the behavioral underclass would be to simply count the number of people who engage in bad behavior or a set of bad behaviors. However, no one behavior is sufficient to define someone as a member of the underclass, and since different behaviors occur at different points in the life cycle, one would need longitudinal data. Even then we would not know how to weight a set of behaviors without knowing the consequences or significance of each.

A better approach might be to identify all those individuals whose past or current behaviors have, in a probabilistic sense, severely constrained their life chances. The emphasis would be on intergenerational mobility and the underclass would be defined as a quasi-permanent bottom for whom the prospects of such mobility are unacceptably low. The probabilities could be empirically estimated from a model in which such behaviors as crime, dropping out of school, early childbearing, or early joblessness affect later socioeconomic status, conditional on one's family background, race, sex, and other exogenous variables. The behavioral underclass would, in theory, be separable from the structural underclass—the former being those whose upward mobility is constrained by their own behavior and the latter those for whom it is constrained by background factors over which they have no control (*6*).

A related approach would define the underclass as all adults who are chronically dependent on socially unacceptable forms of income such as money from crime, from public assistance, or private charity (*7*). Social insurance benefits (covering such risks as unemployment, disability, and retirement) would be considered acceptable since they represent income to which one is entitled as the result of contributions made during an earlier period of work. Similarly, transfers of income between spouses or other family members would be acceptable since they can be thought of as payment for services provided within the home or as a form of family-based insurance in times of need.

None of the above approaches to measuring the behavioral underclass has so far been used to derive empirical estimates of its size, but some location-based measures of the underclass have relied heavily on behavioral indicators.

Location-based measures. By location-based measures, we mean those that emphasize neighborhoods rather than individuals in defining the underclass. One variant of this approach emphasizes a neighborhood's income and the other its behavioral characteristics (*5, 8–11*). Both approaches coincide with the commonsense notion that the underclass tends to live in low-income or bad neighborhoods and to congregate in ghettos that are economically, socially, and racially segregated. Current empirical estimates of the underclass are based almost entirely on the number of people, or the number of poor people, living in such neighborhoods. Neighborhoods are defined by tracts whose boundaries are chosen by the Census Bureau to contain relatively homogeneous socioeconomic groups and which contain, on average, about 4000 people.

"Poor" neighborhoods are typically defined as those where the overall incidence of poverty is at least 40%. In 1980, there were 2.4 million poor people living in such extreme poverty areas (*12*).

"Bad" neighborhoods, on the other hand, are defined as those where the incidence of nonconformity with existing social norms is high. Ricketts and Sawhill, for example, focus on four behaviors that can be measured with existing Census data at the tract level: dropping out of high school among adolescents, single parenthood, welfare dependency, and male joblessness (*5, 13*). To qualify as a bad neighborhood, a census tract has to score high on all four indicators simultaneously. High is defined as one standard deviation above the mean for the population as a whole. In 1980, there were 880 such neighborhoods in the United States containing 2.5 million people (*5*). The residents of these neighborhoods are disproportionately members of minority groups (59% are black and 10% are Hispanic). The adults are poorly educated (63% of those over age 25 are high school dropouts), and the neighborhoods are somewhat disproportionately concentrated in the big cities of the Northeast.

Not all of the residents of underclass neighborhoods are poor and not all of them are engaged in dysfunctional behaviors, but all are living in neighborhoods where such conditions are commonplace. It can be argued that these are bad environments for adults and even worse for children and adolescents who normally cannot choose where they live and who are especially likely to be influenced by the patterns of behavior that are commonplace in their communities.

In a recent review of the existing literature on such neighborhood influences, Mayer and Jencks concluded that "the effect of the socioeconomic mix of schools or neighborhoods on achievement of elementary school students, on graduation rates of high school students, on teenage crime, and on early labor market experience is weak" although "growing up in poor neighborhoods seems to increase black teenage pregnancy rates" (*14*, p. 1441). Several more recent studies provide evidence that such neighborhood effects exist for both school dropout rates and teenage childbearing (*15–17*). At least one study reported that the effects are nonlinear, increasing strongly as neighborhood conditions worsen (*16*).

Assessing the Measures

Still other definitions of the underclass are possible, especially if one uses multiple criteria such as being persistently poor, living in a poor neighborhood, and being engaged in dysfunctional behavior (*18*). In practice, there is considerable overlap or correlation between the different measures, and most of the available estimates suggest that the underclass is small—probably in the neighborhood of 2 to 3 million people in 1980.

Any one definition of the underclass, like the definition of poverty itself, is inherently subjective and arbitrary. Just as estimates of the population in poverty depend on the income cutoffs chosen to define poverty, so too do estimates of the size of the underclass depend on the way in which "persistent poverty" or a "poor neighborhood" or "bad behavior" is defined. There is nothing inherently correct about such choices as 8 years to define persistence, or a 40% prevalence of poverty to define a poor neighborhood, or one standard deviation above the mean on various behavioral indicators to define a bad neighborhood. Most researchers acknowledge as much, and many have emphasized the sensitivity of their findings to these and other critical choices.

Beyond these threshold questions, each of the above definitions has its own peculiar shortcomings. For example, if one uses the persistence of poverty as a measure of the underclass, one finds that long-term poverty is concentrated among the elderly and disabled, findings that do not accord well with commonsense notions of the underclass or the ethnographic literature. In addition, one needs longitudinal data to measure persistence and few such data sets are available.

Location-based measures, on the other hand, may put undue emphasis on where people live. Jencks, for example, has argued that it is only individuals and not their addresses that should matter (*19*). According to this view, if the overall prevalence of poverty or bad behavior is low or declining, then the underclass cannot be said to be large or growing. Others, such as Wilson, argue that it is not just overall rates of poverty or bad behavior that matter but also their distribution (*9*). There may be subsets of the population—in this case, defined by location—where the incidence of poverty or bad behavior is high or rising even though the overall mean is low or falling. Researchers have turned to neighborhood data not because class and geography are synonymous but because there may be no defensible, practical alternative. The use of demographic categories such as age, race, or sex would prejudge membership in the underclass even more than geographic location. Moreover, it is not clear what other statistical data would even come close to capturing the multiple problems that appear to plague lower class communities. In addition, a focus on neighborhoods permits testing of the hypothesis that group effects matter. And finally, neighborhoods are

tangible physical entities, which can be directly observed and used as a basis for targeting various forms of assistance. (When resources are limited, it may not be possible to provide job training, preschool education programs, health clinics, subsidies to small businesses, or other forms of aid to every neighborhood in the country.)

Geographic issues aside, whether policy should aim at changing income or behavior remains controversial. Low income and nonnormative behavior are correlated, but issues of cause and effect have not been sorted out. Some argue that raising the incomes of the most disadvantaged (through government support payments or the provision of more job opportunities) will automatically lead to changes in behavior. Others argue that separate policies to improve family functioning, education, and employability need to accompany the raising of income.

Trends

Much of the concern about the underclass is related to a perception that, despite a reasonably stable rate of overall poverty, such problems as crime, drug abuse, welfare dependency, family dissolution, joblessness, and poverty in inner city areas appear to have worsened (*9*). Between 1970 and 1980, the proportion of the population that was poor increased only slightly (from 12.6 to 13.0%), and the incidence of three of the four Ricketts-Sawhill behavioral indicators (families headed by females, male joblessness, and welfare dependency) also increased nationally by 62, 24, and 65%, respectively. The fourth—the high school dropout rate—remained roughly constant (*20*).

To shed more light on these same trends at the neighborhood level, Ricketts and Mincy analyzed 1970 and 1980 census data to find out whether there were more tracts with extreme poverty rates (40% or more) or more tracts with high scores on the four Ricketts-Sawhill behavioral indicators cited above (*5, 11*). They found that the number of poor neighborhoods rose by 75%, and the number of bad neighborhoods by 331%, during the decade. Although these areas, on average, have been losing residents, the proportion of the population living in poor neighborhoods increased by 24% and the proportion living in bad neighborhoods almost tripled over the decade.

These findings have led us and others to conclude that the underclass is growing. However, in interpreting these findings, three points should be kept in mind. First, the criteria for whether a neighborhood is, or is not, poor or bad are based on fixed standards of income or behavior (*21*). If one were to change the standards on the grounds that social norms shift with income and behavior, one would get different results. Specifically, one would find more growth in the number of relatively poor neighborhoods as average incomes rose over the decade and less growth in the number of relatively bad neighborhoods as everyone's behavior became more dysfunctional. Our own view is that income and norms, especially behavioral norms, do not change this rapidly and that an absolute measure of the size of the underclass is more appropriate and easier to interpret than a relative measure (*22*).

Second, much of the growth we observe is the result of the increased concentration of poverty or bad behavior in certain neighborhoods, rather than the result of national trends. Whether this concentration is due to changes in income or behavior within these areas or to the selective in-migration or out-migration of population is not clear. The data suggest (but do not prove) that there has been both a worsening of conditions in the inner city where these neighborhoods cluster and an out-migration of more stable and better-off families and individuals.

A final shortcoming of our analysis is that until the 1990 Census becomes available, it will not be possible to say very much about trends after 1980.

Although the weight of the evidence seems to us to favor the view that the underclass is growing, other interpretations are possible. What we know unambiguously is that the number of people living in neighborhoods where the incidence of low income and dysfunctional behavior is high increased substantially between 1970 and 1980 and at a much more rapid rate than the number of poor or badly behaved people in the nation as a whole. These neighborhoods, which we call underclass areas, are the site of much of the crime, welfare dependency, school dropouts, poverty, and other social problems that not only affect the life chances of the children residing in such areas but also impose costs on the rest of society.

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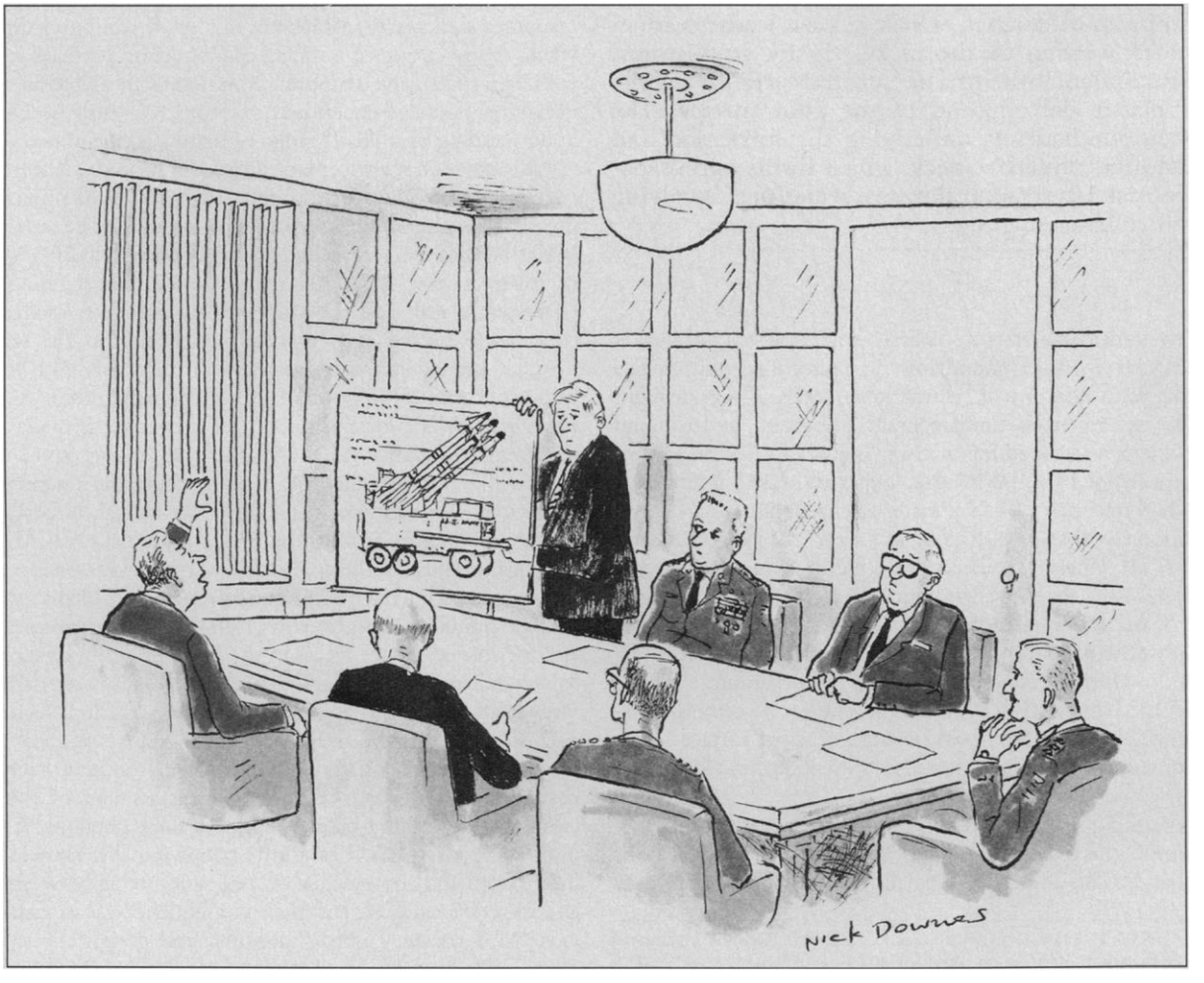
20. Based on data for the 33,191 tracts used in Urban Institute analyses of the growth of the underclass from 1970 to 1980, the proportion of families headed by females increased from 0.134 to 0.228 or by 62%, the proportion of adult males not

regularly employed from 0.255 to 0.316 or by 24%, and the proportion of households receiving public assistance from 0.054 to 0.089 or by 65%. The proportion of 16- to 19-year-olds who were high school dropouts declined from 0.144 to 0.140.

21. Specifically, in both years, a poor neighborhood is defined as one in which at least 40% of the residents are poor. With respect to behavior, 1980 mean proportions and standard deviations for each of the Ricketts-Sawhill indicators are used to select the thresholds. For example, for the nation as a whole the proportion of families with children headed by a woman was 19% in 1980; to qualify as an underclass tract, the proportion had to be at least 37%. The average for the underclass areas that were identified was 60%. These same thresholds were used in both 1970 and 1980.
22. For more on this topic, see M. A. Hughes [*J. Policy Anal. Manage.* **8**, 274 (1989)] and I. V. Sawhill (*ibid.*, p. 282).



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