Consider the following:

- Where does poverty come from?
- Who is responsible for addressing poverty?
- Can the study of poverty be free of "values"? Should it be?

Poverty & Inequality, Class # 4

- Welcome
- Why are people (in the US) poor?
  - Theories of poverty
  - BREAK
- In Class Exercise: Conley & Gilder Dialogue
- Policy interventions

The Big Picture

"Chronic poverty is the greatest threat to social progress in the U.S."

- Why are people poor?
- Individual reasons
- Structural reasons
Causal Theories of Poverty

- Flawed Character
- Restricted Opportunity
- Government Programs & Policies ("Big Brother")
- Historical Legacies

--Education & Family Structure--

Flawed Character(s)

- "By a just and inflexible law of Providence, misery is ordained to be the companion and punishment of vice."
- Individual character traits result in poverty
  - Motivation & work effort
  - Delayed gratification

Flawed Character (2)

- Education:
  - Poor educational outcomes and future labor market opportunities are the result of a lack of motivation and work effort
- Family Structure:
  - Inability to defer gratification results in out-of-wedlock birth.
Restricted Opportunity

- Circumstances beyond individual control
- Lack of access to full range of opportunities
- Discrimination limits access, can reduce returns to human capital investments

Cornel West & W.J. Wilson

- "The Truly Disadvantaged"
- "The "Underclass"
- "Race Matters"

Restricted Opportunity (2)
Restricted Opportunity (3)

- **Education:**
  - Unable to obtain schooling (jobs & income).
  - Lesser returns to education/experience due to discrimination
- **Family Structure:**
  - Lack of “marriageable partners”

Big Brother

- Government programs & policies are to blame
- “Dependency” is encouraged and maintained

Charles Murray & George Gilder
Big Brother (2)

- Education
  - Affirmative action programs/government quotas are to blame.
- Family Structure
  - "Generous" welfare benefits discourage poor women from choosing marriage

Historical Legacies

-Colonialization & Slavery

-Native Americans

-Slavery & Sharecropping

Gary Anders
Historical Legacies (2)

- Education:
  - Biased educational systems, family trauma
- Family Structure:
  - Systematic disruption in family structure has left imprint on modern families

Dalton Conley & George Gilder

Conley vs. Gilder Debate

Write out a dialogue between Dalton Conley & George Gilder using the following questions as starting points:

- What are the primary causes of poverty?
- Is there a "culture of poverty"?
- How effectively have US anti-poverty programs addressed "the poverty problem"?
- Who benefits from particular poverty definitions?
Consider the following:

- Where does poverty come from?
- Who is responsible for addressing poverty?
- Can the study of poverty be free of “values”? Should it be?

Policy Solutions

- What should be done about poverty?

- Matching theory & policy
  - Flawed Character, Restricted Opportunity, Big Brother, Historical Legacies

Midterm

- Midterm exam
  - Receive 9:00 am tomorrow, due 5:00 pm Friday
  - 90 continuous minutes
  - Seal in envelope upon completion, put in Jen’s mailbox
  - One pages of notes allowed (hand in with exam)

- Midterm course evaluation
<table>
<thead>
<tr>
<th>Next: Theories and social structures</th>
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<tr>
<td>- Krugman, P. (2002). The end of middle-class America (and the triumph of the plutocrats).</td>
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