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**Review of *The Persistence of Poverty in the United States*. Garth L. Mangum, Stephen L. Mangum and Andrew M. Sum. The Two-income Trap: Why Middle Class Mothers and Fathers are Going Broke. Elizabeth Warren and Amelia Warren Tyagi. Reviewed by James Midgley.**

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crime control and social justice issues by leading experts in the field. The editors have woven these studies into a very readable and interesting whole that captures the reader's attention. Unlike many edited texts, this book flows smoothly in a logical and sequential fashion. The diversity of authors, from economists and sociologists to lawyers and criminologists, provide readers with the breadth and depth of these important social issues. These experts are leaders in their respective fields of study and their thorough knowledge of the subject matter is apparent throughout the collection of compositions.

Perhaps the book's only limitation is the redundant statistics on incarceration provided at the beginning of the majority of chapters. While it is not unusual to document these statistics in a scholarly work, it seems unnecessary to repeat the same information throughout the text. Despite this minor issue, each essay is full of rich material that expands the reader's knowledge of current criminal and social justice issues.

Overall, this reviewer found this volume to be a valuable resource and learning tool. Professionals and students in a wide variety of fields including economics, sociology, political science, law, criminal justice and social work among others would benefit from reading this book. It is an impressive and timely exposition of important social issues that should be openly debated and researched. The book is an enlightening and engaging anthology of studies that will surely lead to lively and intense discussions.

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Garth L. Mangum, Stephen L. Mangum and Andrew M. Sum, *The Persistence of Poverty in the United States*. Baltimore, MD: The Johns Hopkins University Press, 2003. \$19.95 papercover.

Elizabeth Warren and Amelia Warren Tyagi, *The Two-income Trap: Why Middle Class Mothers and Fathers are Going Broke*. New York: Basic Books, 2003. \$26.00 hardcover.

It is widely believed that the United States is the wealthiest country in the world and that its citizens enjoy unprecedented prosperity. This belief is shared not only by people in the United

States but in many other parts of the world. Media representations of middle class suburban life, the widespread ownership of expensive motor cars and other symbols of prosperity have shaped the view that the average American family enjoys a high income and enviable lifestyle. But as these two books reveal, these images are not entirely accurate. While statistical data do indeed support the claim that Americans enjoy a very high standard of living, they also reveal marked inequalities in income and wealth, the persistence of poverty among a minority of the population, and a growing problem of middle class struggle to make ends meet.

Mangum, Mangum and Sum review some of the basic facts about poverty in the United States today. The book was conceived when its authors were working on a new edition the late Sar Levitan's best selling book *Programs in Aid of the Poor*. While compiling this project, they realized that a statistically-based account of the incidence and correlates of poverty, as well as trends in poverty over time, could serve as a useful reference book on the subject. The result is a slim, readable and informative work which provides a wealth of up to date information about poverty in the United States. This statistical information is used to draw attention to what the authors regard as a central problem in American social welfare policy today, namely the persistence of poverty in the midst of affluence. This is, of course, not a new issue. The fact that the United States has among the highest per capita incomes of any country, and is home to more billionaires than any other, has been the subject of scholarly as well as journalistic attention for some time.

The book begins by tracing trends in poverty over the last century. It shows that there was a significant decline in the official poverty rate in the immediate post Second World War decades but that the poverty rate has remained relatively stable since then, fluctuating within a range of only 3 or 4 percentage points. In the early 1970s, the poverty rate had dropped to 11.1% (the lowest point ever measured) but it climbed to 15.2% in 1983, and fell again to 12.8% in 1989. In the early 1990s, it rose to 15.1% and then declined to reach 11.3% by the year 2000. These trends are suggestive of a long-term, chronic problem of persistent poverty, particularly among women-headed families, migrant workers and people with low educational skills.

The authors also point to the structural factors that perpetuate poverty such as low wages for unskilled workers, employment barriers for those seeking work, and a fragmented and reluctant welfare system that fails to provide adequate subsidies as well as safety nets to those living on low incomes. However, they point out that some social policy measures, such as the Earned Income Tax Credit, subsidized child care, and appropriate educational programs do make a difference. Accordingly, they stress the need for combining macro-economic policies that promote employment with social welfare policies that provide adequate safety nets and subsidies. Their discussion of the role of Social Security in reducing poverty among the elderly over the last half century is particularly relevant to this argument. The authors point out that poverty among the elderly has fallen dramatically not only because more elderly people now participate in the labor market, but because of the provision of an adequate income subsidy in the form of adequate Social Security benefits.

In *The Two Income Trap*, Warren and Tyagi write about the growing problem of indebtedness and bankruptcy among middle class people. They show how growing numbers of ordinary middle class people are finding it increasingly difficult to make ends meet. In recent years, the accumulation of debt by these families has reach staggering proportions, and the number of bankruptcies has soared. The problem is particularly acute among women. Surveying the incidence of bankruptcy over the last 20 years, they found that the number of women filing for bankruptcy has increased from about 70,000 in the early 1980s to more than of half a million today—an increase of more than 600%. Although explanations for this problem in the popular media and some of the social science literature stress the role of frivolous consumption, lack of foresight and other ‘moral’ causes, the authors point out that a variety of social and cultural changes, the deregulation of the financial industry and the widespread use of predatory lending practices are primarily to blame.

The authors discuss these factors in some detail. They point out that, paradoxically, the increasing participation of married women in the labor force has resulted in less discretionary family income, and a greater risk of falling into debt when household income is suddenly reduced through the unemployment of the

male partner or through divorce. The decline in the quality of public education has also contributed to this trend as more and more middle class families move to the suburbs to find decent schools for their children. Consequently, house prices in localities with good schools have increased exponentially, and many families have assumed huge mortgage debts. When unemployment, illness, divorce or other contingencies that reduce income arise, many of these families have no choice but to seek bankruptcy protection. The deregulation of the financial industry has also played a major role as lenders now encourage consumers to extend themselves, and to assume levels of debt that would not have been previously permitted. In a pointed critique, the authors show how the industry has successfully lobbied to prevent deregulation and how it went on the offensive to undermine the nation's bankruptcy laws. They are pessimistic about the possibility of meliorative Congressional action and call instead on local community groups, civic associations and the churches to campaign to protect bankruptcy rights and reregulate the banking industry.

Both books reviewed here make for somber reading and reveal that America's faith in the ability of free-market capitalism to abolish need and poverty is seriously misplaced. Despite the fact is that the market has been increasingly deregulated, and permitted to work its supposed magic, poverty remains a persistent and intractable problem. The perennial struggle to make ends meet not only affects unskilled workers and those with low educational qualifications but ordinary middle class families as well. On the other hand, the incomes of the top 20% of wage earners have increased, the stock market has boomed and wealth accumulation has accelerated. Clearly, appropriate policy action that draws on the insights of both books is urgently needed.

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