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UNEMPLOYMENT AND CRIME

JOINT HEARINGS
BEFORE THE
SUBCOMMITTEE ON CRIME
OF THE
COMMITTEE ON THE JUDICIARY
AND THE
SUBCOMMITTEE ON EMPLOYMENT
OPPORTUNITIES
OF THE
COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES
NINETY-SEVENTH CONGRESS
FIRST SESSION
ON
UNEMPLOYMENT AND CRIME

OCTOBER 27 AND 28, 1981

Serial No. 60



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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON: 1982

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UNEMPLOYMENT AND CRIME

TUESDAY, OCTOBER 27, 1981

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON CRIME,
COMMITTEE ON THE JUDICIARY, AND SUBCOMMITTEE ON
EMPLOYMENT OPPORTUNITIES, COMMITTEE ON EDUCA-
TION AND LABOR,

Washington, D.C.

The joint hearing met, pursuant to call, at 1:40 p.m., in room 2237, Rayburn House Office Building, Hon. Augustus F. Hawkins presiding.

Present: Representatives Hughes, Hall, Sawyer, and Fish (Subcommittee on Crime, Committee on the Judiciary); Hawkins, Weiss, Corrado, Jeffords, and Petri (Subcommittee on Employment Opportunities, Committee on Education and Labor).

Staff present: Hayden W. Gregory, counsel; David Beier, assistant counsel; and Deborah K. Owen, associate counsel (Subcommittee on Crime); Susan D. Grayson, staff director; Beth Buehlmann, minority legislative associate (Subcommittee on Employment Opportunities).

Mr. HAWKINS. The joint hearings of the Subcommittees on Crime and Employment Opportunities are called to order.

On behalf of the Subcommittee on Employment Opportunities, I welcome this opportunity to conduct this hearing with Mr. Hughes and the other members of the Subcommittee on Crime.

I certainly hope there will be an even closer relationship between the subcommittees because I think there are many overlapping areas of concern.

The purpose of the hearings over the next 2 days is to explore the connection between unemployment and crime. This relationship exemplifies the grave social and economic costs of policies which perpetuate poverty and increase joblessness.

I believe that in order to formulate intelligent and comprehensive national economic policy decisions, we must be aware of the consequences of these decisions.

Today we see a real danger of destructive rather than constructive policy changes. The administration has finally acknowledged that our Nation's economy is in a recession, yet the administration has remained insensitive to any link among the consequences of a recession: poverty, unemployment, and crime.

By referring to any relationship between poverty and crime as a "utopian presumption," the administration appears to have abandoned its ultimate responsibility for the negative social costs of its economic policies.

The administration's stated policy deals with crime by responding to the results and ignoring the causes. However, when people

are denied the chance to grow and prosper because of inadequate economic opportunities, they can be expected to suffer and therefore react to the stress in a way that is abnormal and unacceptable to the general social framework. Crime is indeed one of many outcomes.

Based on past nonpartisan studies and reports presented before the Congress, I believe there is an existing and historical relationship between long periods of joblessness brought on by recession and high crime rates. Such substantial unemployment breeds frustrations, anger, and despair. It promotes an explosive environment.

The statements of two experts of the criminal justice system, Mr. Edward Levi, former Attorney General under the Ford administration, and Mr. Patrick Murphy, former police commissioner of New York City, illustrate this tie.

At his confirmation hearing in 1974, Mr. Levi indicated that when jobs are not available, when layoffs are widespread and when the first fired are likely to be those least skilled and least educated, hence least able to get and keep whatever work may be available, an increase in crime is bound to result as the jobless seek some way to maintain themselves and their families.

Even though that testimony was given in 1974, those aspects of a recession about which Mr. Levi testified are just as much in evidence today. An existing 7.5-percent unemployment rate and an increasing inflation rate this past month make his comments just as relevant today as they were in 1974.

When Mr. Murphy testified before a congressional body, he observed:

We have allowed unemployment, the principal breeding ground for crime, to climb upward in tandem with the crime rate. There can be no significant long lasting effort to reduce crime permanently without a major reduction in rates of unemployment.

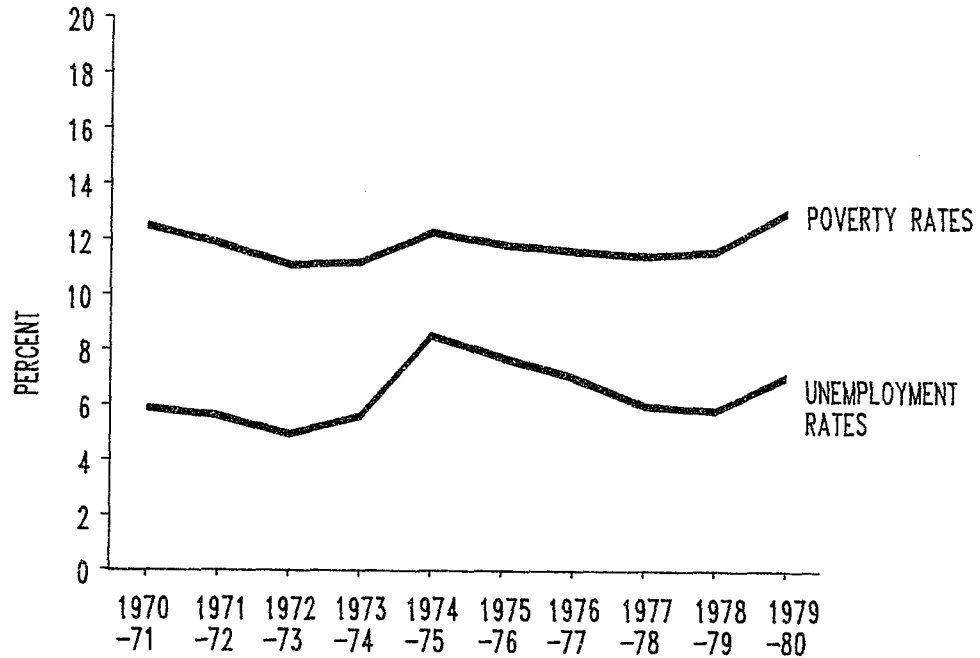
In spite of these studies and testimonies, there has developed a popular concept that making punishment severe and swift is a sure-fire way of eliminating high crime rates. But this approach only gets at those persons who commit crimes, if they are apprehended and convicted.

If anything, the swift and sure punishment approach will probably succeed at making the potential offender improve his or her defenses against getting caught, since the root reason for committing the crime—lack of economic alternatives—will still exist.

I am certainly not suggesting that a full employment economy—employing all those who would want to work and who would be able to work—would eliminate all crime in America, but it would certainly alleviate the poverty and economic distress which may lead to criminal activity.

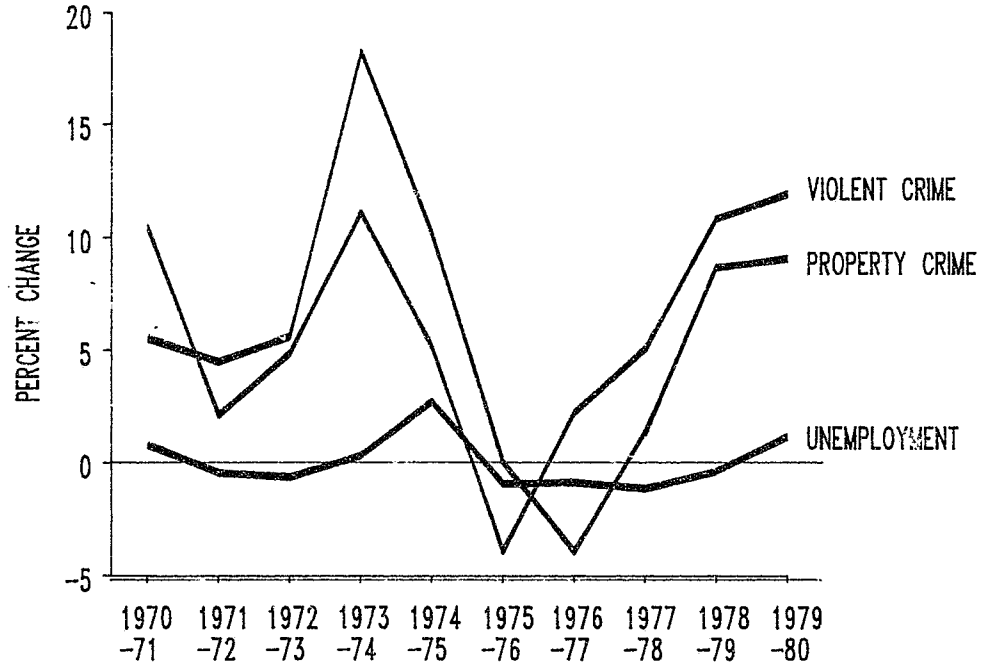
[The charts follow:]

COMPARISON ON UNEMPLOYMENT AND POVERTY RATES



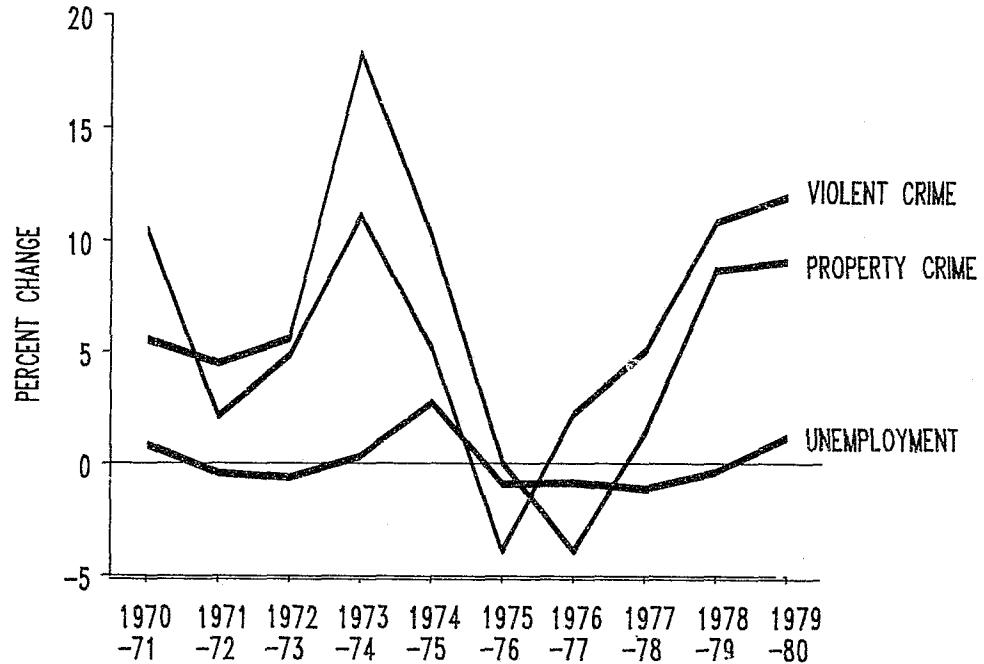
Sources: Poverty - U.S. Department of Commerce, Bureau of the Census.
Unemployment- U.S. Department of Labor, Bureau of Labor Statistics.

RELATIVE CHANGES IN UNEMPLOYMENT AND CRIME RATES



Sources: Unemployment - U.S. Department of Labor, Bureau of Labor Statistics.
 Crime - U.S. Department of Justice, Federal Bureau of Investigation.

RELATIVE CHANGES IN UNEMPLOYMENT AND CRIME RATES



Sources: Unemployment - U.S. Department of Labor, Bureau of Labor Statistics.
 Crime - U.S. Department of Justice, Federal Bureau of Investigation.

Mr. HAWKINS. In order to graphically illustrate the relationship between unemployment and crime, I refer to two charts: The first chart shows a similarity between the percentage changes of unemployment and poverty from 1971 to 1980. This chart clearly shows that as unemployment increased or decreased, the poverty level in this country had simultaneously followed the same track.

As it is widely held that poverty is a major breeding ground for crime, the link between unemployment, poverty, and crime is apparent.

The second chart illustrates how from 1970 to 1980, the percentage changes in unemployment rates are very similar to the changes of percentage rates in violent crimes—murder, rape, aggravated assault—and are even more similar to changes in percentage rates in property crimes—robbery, burglary, larceny, and auto thefts.

A national policy of full employment implies that society actively seeks to alter the conditions of poverty and unemployment that are among the causes of crime. We must pursue such a policy because, in the long run, it will be far less costly than building bigger and better jails.

I might say it would be a good policy to pursue anyway. I have never heard a criminologist say reducing unemployment would in any way increase crime. Certainly by reducing unemployment, whether it did or not, in fact, it would still be moving in the proper direction.

Today and tomorrow we will hear from a wide range of witnesses who will testify based upon their experiences on the positive effects employment programs have had upon the incidence of criminal activity. Those hearings will also emphasize the continuing need to eliminate one of the major causes of crime.

It is my pleasure to yield to the Chairman of the Subcommittee on Crime of the Judiciary Committee, Mr. Hughes.

Mr. HUGHES. Thank you, Chairman Hawkins.

Today, in the context of these joint hearings the Crime Subcommittee continues a series of hearings that began earlier this year on criminal behavior. Thus far, the subcommittee has examined the relationship between drug abuse and crime and the changing patterns of criminality among youthful offenders.

The complexity of human behavior dictates there are few absolute causes of certain patterns of conduct. There is, however, little doubt that the exclusion of certain segments of society from the economic mainstream produces at least a marginally greater crime rate.

It has only been in the last few years that researchers and policymakers have begun to look at these relationships in a more sophisticated manner.

The witnesses over the next 2 days will illustrate how rich their area is in terms of policy implications. The questions raised by the relationship between unemployment and crime are important and significant issues.

The Federal Government has, in my judgment, an important leadership role to play. The Federal Government must take the initiative in developing comprehensive employment strategy. In addition, the Federal Government must back demonstration projects

that attempt to test the hypothesis of various competing theories about unemployment and crime. Hopefully, through these hearings the subcommittees will learn more about the nature of the unemployment and crime problem.

We also hope to begin to structure a more targeted approach to employment programs.

Mr. Chairman, I have a more comprehensive statement which I would like to have admitted as a part of the record.

Let me tell you I am delighted we can hold hearings on this matter which cuts across our jurisdictional lines.

I look forward to hearing from the various witnesses today.

Mr. HAWKINS. Thank you, Mr. Hughes.

Without objection, the statement referred to will be entered in the record in its entirety at this point.

[The statement of Mr. Hughes follows:]

HUGHES

OPENING STATEMENT OF CHAIRMAN WILLIAM J. HUGHES

before the

SUBCOMMITTEE ON CRIME

of the

HOUSE COMMITTEE ON THE JUDICIARY

and the

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

of the

COMMITTEE ON EDUCATION AND LABOR

OCTOBER 27, 1981

TODAY THE CRIME SUBCOMMITTEE CONTINUES A SERIES OF HEARINGS THAT BEGAN EARLIER THIS YEAR ON THE CORRELATES OF CRIMINAL BEHAVIOR. THUS FAR THE SUBCOMMITTEE HAS EXAMINED THE RELATIONSHIP BETWEEN DRUG USE AND CRIME AND THE CHANGING PATTERN OF CRIMINALITY AMONG YOUTHFUL OFFENDERS. IN FUTURE HEARINGS WE WILL DELVE INTO THE COMPLEX RELATIONSHIP BETWEEN MENTAL ILLNESS AND CRIME.

THE PRIMARY PURPOSE OF THE HEARINGS TODAY AND TOMORROW IS NOT TO PROVE BEYOND A REASONABLE DOUBT THE EXISTENCE OF A CAUSAL RELATIONSHIP BETWEEN UNEMPLOYMENT AND CRIME. NOT EVEN THE MOST ZEALOUS ACADEMICIAN CAN ESTABLISH AN ABSOLUTE CONNECTION. ON THE OTHER HAND, THERE IS LITTLE QUESTION THAT THERE IS A STATISTICAL CORRELATION BETWEEN THE VIABILITY OF OUR ECONOMY AND THE LEVEL OF CRIMINAL CONDUCT. THE QUESTIONS BEFORE US TODAY INVOLVE A DISSECTION OF THAT CORRELATION.

THE COMPLEXITY OF HUMAN BEHAVIOR DICTATES THAT THERE ARE FEW ABSOLUTE CAUSES OF CERTAIN PATTERNS OF CONDUCT. THERE IS, HOWEVER,

LITTLE DOUBT THAT THE EXCLUSION OF CERTAIN SEGMENTS OF SOCIETY FROM THE ECONOMIC MAINSTREAM PRODUCES AT LEAST A marginally greater crime rate. IT HAS ONLY BEEN IN THE PAST FEW YEARS THAT RESEARCHERS AND POLICY-MAKERS HAVE BEGUN TO LOOK AT THESE RELATIONSHIPS IN A SOPHISTICATED MANNER. THE WITNESSES BEFORE US OVER THE NEXT TWO DAYS WILL ILLUSTRATE HOW RICH THIS AREA IS IN TERMS OF POLICY IMPLICATIONS.

THERE APPEAR TO BE SEVERAL COMPETING SCHOOLS OF THOUGHT IN THIS AREA. ONE SCHOOL OF THOUGHT POSITS THE ASSUMPTION THAT MOST OFFENDERS ARE RATIONAL IN THEIR ASSESSMENT OF WHETHER TO COMMIT A CRIME. THESE THEORISTS DRAW FROM ECONOMICS THE VIEW THAT THE BEST METHOD FOR REDUCING CRIME IS TO INCREASE THE COST TO THE OFFENDER IN TERMS OF INCREASED/^{RISK OF} APPREHENSION, PROSECUTION AND PUNISHMENT. THIS SCHOOL CLAIMS THAT THE RESULTS OF EMPLOYMENT PROGRAMS, OR OTHER INCREASES IN THE AVAILABILITY OF LEGITIMATE INCOME, WILL NOT MATERIALLY REDUCE CRIME.

ON THE OTHER HAND SOME EXPERTS HAVE THEORIZED THAT BY INCREASING THE HUMAN CAPITAL OR JOB SKILLS OF POTENTIAL OFFENDERS-- THAT IS, LARGELY YOUNG UNEMPLOYED PERSONS--THERE WILL BE AN INCREASE IN EMPLOYMENT AND THEREBY A REDUCTION IN THE INCENTIVE TO COMMIT CRIMES. THIS SCHOOL ASSUMES THAT AN INCREASE IN THE EDUCATION OR TRAINING LEVEL OF A PERSON CAN LEAD TO EMPLOYMENT AND THAT THE AVAILABILITY OF LEGITIMATE INCOME WILL OVERCOME ANY DESIRE TO OBTAIN INCOME ILLEGALLY.

UNFORTUNATELY, THE RELATIONSHIP BETWEEN CRIME AND EMPLOYMENT IS NOT AS SIMPLE AS EITHER OF THE THEORIST I JUST DESCRIBED. FIRST, RECENT RESEARCH HAS SHOWN THAT WE MUST CONSIDER THE WHOLE ISSUE OF ECONOMIC VIABILITY, INCLUDING THE QUALITY OF THE JOB HELD BY A POTENTIAL OFFENDER. SECOND, WE MUST EXAMINE THE NATURE OF THE RELATIONSHIP BETWEEN EMPLOYMENT AND OFFENDERS MORE CAREFULLY ACCORDING TO THE TYPE OF OFFENDER AND THE TYPE OF OFFENSE.

THESE INSIGHTS MAY PERMIT US TO BECOME MORE SOPHISTICATED IN FASHIONING A RESPONSE TO CRIME. IT MAY WELL BE THAT THE STRUCTURE OF THE ECONOMY SEGMENTS JOBS INTO TWO PARTS. IT MAY BE THAT SOME JOBS--CALL THEM PRIMARY JOBS--ARE WELL COMPENSATED, SAFE, HIGH QUALITY IN NATURE, AND THAT OTHER JOBS--SO-CALLED SECONDARY JOBS INVOLVE LOW WAGES, POOR WORKING PLACE CONDITIONS AND LITTLE JOB SATISFACTION. THIS BIFURCATION OF THE EMPLOYMENT MARKET MAY HAVE IMPORTANT IMPLICATIONS FOR FUTURE EMPLOYMENT PROGRAMS. IF, AS SOME EXPERTS SUSPECT, WE HAVE CREATED FEDERAL JOBS PROGRAMS THAT HAVE PRIMARILY CREATED JOBS OF THE SECONDARY TYPE, IT IS POSSIBLE THAT SOME OF OUR EMPLOYMENT PROGRAMS HAVE HAD LESS CRIME REDUCTION IMPACT THAN WOULD HAVE BEEN THE CASE HAD THE NEW JOBS BEEN PRIMARY IN NATURE.

THE QUESTIONS POSED BY THE RELATIONSHIP BETWEEN UNEMPLOYMENT AND CRIME ARE IMPORTANT NATIONAL ISSUES. THE FEDERAL GOVERNMENT HAS AN IMPORTANT LEADERSHIP ROLE TO PLAY. THE FEDERAL GOVERNMENT MUST TAKE THE INITIATIVE IN DEVELOPING COMPREHENSIVE EMPLOYMENT STRATEGIES. IN ADDITION, THE FEDERAL GOVERNMENT MUST TEST DEMONSTRATION PROJECTS THAT ATTEMPT TO TEST THE HYPOTHESIS OF VARIOUS COMPETING THEORIES ABOUT UNEMPLOYMENT AND CRIME. HOPEFULLY, THROUGH THESE HEARINGS THE SUBCOMMITTEES INVOLVED WILL LEARN MORE ABOUT THE NATURE OF THE UNEMPLOYMENT AND CRIME PROBLEM. WE ALSO HOPE TO BEGIN TO STRUCTURE A MORE TARGETED APPROACH TO EMPLOYMENT PROGRAMS.

Mr. HAWKINS. Does any member desire to make a statement?

Mr. SAWYER. Mr. Chairman, this is a fascinating topic. Before I came to Congress, which was not really all that long ago, I practiced trial law almost exclusively and spent 2 years as the chief prosecuting attorney in an urban area. I thought that I had a fair acquaintance with the crime problem, really from both sides of the issue.

I just assumed, very frankly, that unemployment and poverty were directly, causally, and demonstrably related to crime.

I have been somewhat surprised recently to find that apparently that is not as axiomatic as I had assumed it was. As the Chief Justice noted not too long ago, our crime rate today is higher than it was during the depths of the Great Depression on a per capita basis.

I suppose Sweden, which has kind of a one-class economy, should have substantially no crime, whereas, Spain and Portugal, being less well-to-do countries, would have exceedingly higher rates. Yet, this is not borne out by statistics.

Orsagh and Witte, who are researchers in this area, noted that three pre-1975 studies showed statistically significant correlations between unemployment and crime, whereas, seven others showed no such correlation.

I really am not coming here with a fixed point of view or an opinion. I can say very legitimately that I am intrigued by what appears to be a statistical and perhaps psychological difference of opinion. I am really here for the purpose of learning.

I thank you.

Mr. HAWKINS. Are there further statements?

Mr. CORRADA. Mr. Chairman, I would like to commend the chairmen of these subcommittees for these hearings. It is a very important subject and, of course, in the case of Puerto Rico where we have a high level of unemployment, close to 20 percent, I may say we have noticed during the past few years a step increase in the level of crime, as well.

Let me point out that in the rural areas where we have a very large degree of poverty, crime is not very high. However, in the urban areas, we have high poverty and the rising level of unemployment has gone hand-in-hand with the rise of criminal activities.

I believe that poor people, per se, are not more criminally prone than any other social economic sector of our society, if they are able to retain the basic ethical family values like those obtained in societies such as those of Spain and Portugal, as well as the rural areas in Puerto Rico where in spite of great poverty the criminal activity is lower.

However, with the transformation of society from rural to industrialized and with the advent of the very large metropolitan and urban communities and the consequent loss of family values, in that kind of environment, unquestionably, where youngsters might not be subject to the parental supervisions that they would in a rural society and so on, then youngsters who are out of work, out of school, definitely can be prone to violent activity.

I think we should look particularly into the possible relationship of violent activity in the large urban areas of our Nation, as well as

Puerto Rico, because I think definitely in that instance we should be able to detect that kind of relationship.

However, let me point out that I do not support the contention of those who state that poverty, per se, is a cause of violence because I know of poor people who are the most decent individuals in the society when they have those family values of others.

Mr. HAWKINS. Are there other statements of members? Mr. Jeffords.

Mr. JEFFORDS. I have mixed feelings about these hearings. I am pleased that our two subcommittees are holding joint hearings, but I am displeased that the issue of juvenile crime and youth unemployment is still a major concern in our Nation.

We all know the staggering unemployment rate for youth—over all 19.3 percent, with unemployment rates for black and other minority teenagers at 37.5 percent.

At a time when we need to further our efforts to resolve this chronic problem, we are facing severe budget reductions in youth training programs and in programs targeted to the disadvantaged youth in our schools.

Compounding the problems of youth unemployment are the figures regarding youth and crime. Twenty-three percent of all arrests were juveniles; whereas, their proportion of the population is only about 14 percent.

In 1979, juveniles accounted for about 20 percent of all violent crimes, 44 percent of all serious property crimes and 39 percent of all serious crime arrests. The peak age for arrests of juveniles for serious and violent crimes is 16 and 17 to 18 respectively.

What these figures do not provide is the cost not only to society but the loss each of these young people experiences in what must be termed disenfranchisement from society.

Rather than becoming productive members of society, many of our youth are becoming dependent on the Government, incarcerated or, worse yet, they, too, are becoming the victims of crime.

It is obvious that we cannot ignore these statistics, and the lives that are represented behind the figures. The Congress must continue to act in an effort to resolve these problems.

I look forward to the comments we will hear today and tomorrow in these hearings, and again commend the chairmen of these two subcommittees for holding these hearings on such a critical issue.

Mr. HAWKINS. I will yield to Mr. Hughes for an important motion.

Mr. HUGHES. The Chair has received a request to cover this hearing in whole or in part by television broadcast/radio broadcast, still photography or other similar methods.

In accordance with committee rule 5A, permission will be granted unless there is objection.

Mr. HAWKINS. Is there objection? If not, the other subcommittee involved has heretofore given permission.

Any further comment? Mr. Weiss.

Mr. WEISS. Thank you very much, Mr. Chairman.

Mr. Chairman, although I think all of us would agree that poverty certainly by itself or unemployment cannot be described as the sole cause of criminal behavior and that not everyone who is unem-

ployed or poverty-ridden, in fact, is known to engage in criminal behavior.

As one who represents an urban district which has a great deal of poverty and a great deal of criminal behavior, I think it goes without saying that the larger the incidence of poverty and unemployment, as can be observed in my district and my city, the greater the likelihood of criminal behavior, both violent and property in nature.

It seems to me at this time when the levels of unemployment are going up the administration's policy of cutting back on all of the social items, including educational and training program is simply a prescription for disaster.

Mr. HAWKINS. Are there further comments?

We will proceed with the witnesses.

The first witness is Hon. William Donald Schaefer, mayor of the city of Baltimore.

Mr. Mayor, we welcome you to this hearing. You are not a stranger, certainly, to the Subcommittee on Employment Opportunities. I don't know whether you have appeared before the Subcommittee on Crime but you certainly have been a principal contributor to the development of various policies and programs and we are delighted to have you as the lead-off witness in this joint hearing.

TESTIMONY OF WILLIAM DONALD SCHAEFER, MAYOR, CITY OF BALTIMORE, MARYLAND, ACCOMPANIED BY: HILBERT STANLEY, DIRECTOR, HUMAN DEVELOPMENT RELATIONS; TOMMIE JACKSON, COORDINATOR, CRIMINAL JUSTICE; PAUL SHURICK, MANPOWER ADMINISTRATION, AND LAURA DEKOVEN WAXMAN, U.S. CONFERENCE OF MAYORS

Mayor SCHAEFER. Thank you, Mr. Chairman, and members of the committee.

I would like to introduce, if I may, very briefly, the people I have with me. Hilbert Stanley, director of Human Services for Baltimore; Tommie Jackson, the coordinator for Criminal Justice; Paul Shurick, working on some charts for us, from Manpower, and Laura Waxman from the U.S. Conference of Mayors.

First of all, let me commend you because I think the fact that two subcommittees on crime and employment meeting together is very important. I see a corollary between crime and unemployment.

There is so much to say, and I have been cautioned I have to be brief which puts me at a disadvantage because I think that I shouldn't be rushed and if you would let me know when my time is up, let me come back again if I have talked too long.

I am worried over this problem of unemployment and crime in our cities because it can destroy cities. I repeat, it can destroy cities like Baltimore.

Now, Baltimore has made tremendous progress in the last 10 years and we have made it, as I have said so many times, because of the assistance that we receive from you, the Federal Government, in your programs that have helped us with the development in the neighborhoods, with the development of our downtown area, and no matter where I go I start off by commending the Federal

Government. But Baltimore could not have made the progress without the assistance, the second is the State, the third is the city, and our people who work so hard.

I would like to just start off before what I have really prepared to say, that I listened to a young mayor one time by the name of Tommy Delasandro and I learned from all of the great mayors of the city of Baltimore, old Tommy and young Tommy and the rest of them.

Young Tommy said to me, if you put money in the pocket of a person you have less trouble and less crime.

I listened to him. That was almost 14 years ago. That sentence never left me and I believe that. Give a person some money, give them a job and you have less problems, and I believe it.

I also think about a family. I was talking about a young reporter back there and I said to him, "Suppose you lost your job and you are a family man and you were supporting your wife and your children and your mother, whoever it might be, and you are out of employment, you can't go on welfare, there is no welfare for you, what are you going to do?"

Two things you can do. One, you can abandon the family and just get out. Go to California, go wherever it might be, just get out and forget it and let them fend for themselves.

The second thing, you are going to do something and the something might mean you go on the street to take care of the family and on the street means getting some money or some way to take care of the family by criminal means or whatever means it might be. That happens. I worry about that.

Then I listen to the Congressmen talk about poverty. You know the expectations in the people of America are great, are very high, and sometimes maybe we have built their expectations so high that people see people having something and they don't have anything and there can be an entirely different attitude, and people who have really lived in poverty for many, many years worry about that.

Coming over here I said, what am I going to say to this committee that is startling? There is nothing that I can tell you that you haven't heard. There is nothing I am going to be able to tell you. I think everyone is looking for what you might say is a quick solution to a very serious problem. I am not going to give you the answer. I can't. I can give you some suggestions.

There is one thing that is happening. There is more ink, there is more emphasis on crime than ever before. I can't pick up a newspaper that doesn't show a violent murder on the front page. I can't read the second page where there isn't more about crime. I worry about percentage of crime and fear of crime.

People in the city of Baltimore, because they read of crime continually, are worried over crime.

Then we look at statistics in the city of Baltimore. Each time, each quarter I wait for the police commissioner to come out with statistics because I know what the impact will be.

If the statistics say crime is up, we have a depressed city. If all of a sudden we have reduced crime by 10, 15, or 50 percent, people say things are involved, crime is over, we don't have to worry any more.

But the basic problems of unemployment and all the rest of the problems are still there and I am assured by the commissioner that our crime statistics will be less the next quarter but the quarter after that they may go up again and I worry about that.

One of the things I think we have to do is all stop, reevaluate what we are going to do and step off a course and all go together.

Who is responsible? Am I responsible? Is the mayor responsible? If I am, then somebody has to provide me with the resources or means to be able to say, "This is the way I want to go." Is it the State that is responsible, is it Governor Hughes who is responsible? If it is, he must be given the resources. I have got to get in line, everyone has to get in line, we have to follow some course.

Is it the Federal Government's responsibility? I think you have a great sense of responsibility in order to help us with crime. OK, come up with the policies and the things you think we should do and let's get in line and let's move and that is the thing I hope to do.

Again before I get to what I am prepared to say, what are we going to try to do? First, what are we going to do to prevent crime? How do you get the neighborhoods to get together and say, "OK, the police department of Baltimore is not the sole responsibility to prevent crime. Everyone must be involved and everyone has heard this time after time. But there has to be a greater emphasis on things called police community relations councils where the police and the people work together.

Attack unemployment. I can't do that. That is something that is so very important. How can I stimulate the economy? How can I say to Congress, you have got to give me more job training programs, you have to give me more money so we can employ people?

A dropout from school. I know from my own personal observation, having been in office for quite a few years, maybe a long time, where a person who drops out of school starts off with two strikes against him. He starts off with two strikes in trying to compete for a job. If he starts off with two strikes he only has a few courses of action to take. Take the incorrigibles off the street. We can't put the same people back on the street again that have just committed the rapes, robberies, and murders, and that is what is happening because of the jam-up in the criminal justice system.

And then after you do get out of the penal institutions, be able to provide a job for a person who gets out.

Suppose you committed a crime and they dumped you out on the street, untrained, with no place to go, with no hope of any job opportunity? What would happen? Where do you go? What I am going to try to propose somewhere in this prepared text is a way to take care of the people when they are out.

Halfway houses are fine and all the rest but there must be some way to provide a job and I suggest that is one of the things we can do. And then the last thing I suggest before I get on with what I want to say is I think we all have to get on the same wavelength. You have to tell me what you want me to do as mayor.

I can make suggestions to you as mayor as to what I think should be done. We must all get together and try to approach the problem of crime.

In the past years I have come to Washington many times to tell you and your colleagues in the Senate that, not to criticize what you are doing but to tell you what the impacts of cuts on the Federal budget would have on American cities, especially cities like Baltimore who have turned the corner and are recovering from years of neglect.

Baltimore has made great progress, as I have said, because of your help. Many of the programs that you passed did help cities like Baltimore and the people in the cities. Now we have to eliminate some of those programs that are federally and locally funded.

We also have to cut back on some very important services that we have and we have to make some decisions on who gets what in Baltimore. But there is one problem affecting every single community in America that we cannot ignore and that is the problem of crime.

There is nothing more serious, more harmful, more frightening than violent crime and all of us have a commitment to the people to protect them from the acts of the criminal.

Crime is not an isolated act of just a few individuals. It happens everywhere and it hurts everyone. Crime moves out of the poor communities into affluent communities and it is not confined to the criminal element feeding on the poor even though that is a serious problem.

Cuts in the Federal job training program, a reduction in public assistance and food stamps and a lack of new entry-level job opportunities means more people than ever will not have a chance to better themselves or support or care for their families. Without a reliable source of income many will go to a life of crime to survive.

Three choices: unemployment compensation, welfare, or the street, and those are the three choices.

Unfortunately, budget cuts could mean that we actually spend less money in fighting crime in the future than we have done in the past. We will have to come up with new ways to hold crime down and we have to develop new ways of attacking the causes of crime and prevent it from happening.

The Sunday paper recently ran an article that scares you. It was a survey of what people in Baltimore City, Baltimore County, and Howard County feel about the streets.

How do you feel? Very safe: 13 percent in Baltimore City, 23 percent in Baltimore County. Reasonably safe: 31 percent in Baltimore City, 39 percent in Baltimore County.

A little quote. "A girl has a job over in one part of our city, trying to get home. She is trying to find a cab to take her home. Her story is, "For her it wasn't merely a deception of crime was the worst problem but a sinking feeling she has that the wrong people, good, innocent people are being stampeded by the persistence of crime into the economy with other forms of basic forms of survival."

"Oh, no, Miss," stated the cabbie as he pulled over to offer a ride. "I don't go out into that neighborhood," and he drove off and she tried to understand. Cab drivers in tough neighborhoods are robbed and killed. She went to another cab. But you don't understand. I am standing on a corner trying to get home from my job to where I live.

I thought that was a very interesting quote because that can happen. A person with a job can't go back into certain neighborhoods at night. Cabs won't take them there.

The Attorney General recently said fighting crime is a top priority of the administration but you have to do it with less Federal help.

The question is who will supply the aid, who will supply the resources to fight crime or find a solution? I do not happen to think that you can reduce funds or help through an area of need like Baltimore and expect them to pick up the slack.

If the people have money, if they have jobs, I think the problem would be less.

Fighting crime is expensive. It is expensive but it involves more than just building new prisons and hiring more policemen. It is expensive but it gives a strong commitment by the Federal, State, and local governments to work with the private sector to reduce the need for turning to crime.

One of the major causes of crime today is unemployment. There is strong evidence to show that increased unemployment and increased crime go hand-in-hand.

A study was prepared by the Joint Economic Committee of Congress by Dr. Harvey Brenner of Johns Hopkins University that described the social cost of unemployment in terms of crime, mental health, and physical health and over a 35-year period of 1 percent rise in unemployment resulted in a 4-percent increase in State prison admissions and a 5.7 percent increase in homicides.

I believe a national policy or program that decreases unemployment will also decrease crime.

Some of these statistics I don't like to brag about. I am a positive person when it comes to Baltimore. I happen to think it is the greatest city in the United States. I know all of you think your cities are greater than mine but let me live in my little world of dreams. I think we have a great city but I have to tell you, Baltimore, 43,000 unemployed, 25,000 unemployed minority youths; 200,000 functionally illiterate; 143,000 public assistance recipients; 7,000 to 10,000 school dropouts; 79,000 poor elderly.

Now you say, why in Baltimore City? Why in Baltimore City when right beside you you have an affluent county where there is very little unemployment, where the tax rate is very low and the reason, the poor, the deprived and all the rest are confined to the city and kept in the cities and so long as we have the resources to take care of them, that is OK, but when you pull the resources away from us and do not give us a way to take care of people, that is wrong.

It would be very easy if all of you could decree that 10 percent of the poor of Baltimore City will be taken care of by Baltimore County, 10 percent by Howard County, 10 percent by Anne Arundel County, counties that can afford to take care of the poor.

You know that is politically impossible. If we are going to be the repository for the poor, disadvantaged, and unemployed, we need the help and resources to do it.

As crime goes up cities must respond with increased police, fire, and medical protection but every police officer we hire costs the taxpayer about \$21,000 a year.

The proposed cuts in general revenue sharing would force me to cut back even more on other vital services just to maintain an adequate police and fire protection.

Let me tell you what we are beginning to do in the city of Baltimore in order to keep a tax rate that is the highest in the State at \$6.00. We have said to everyone in our city government, we have said one thing: Take this year's budget, keep all the inflation, also any wage increase you absorb, and then be prepared to reduce your budget by 12 percent in the event Congress cuts the budget further. And we have given three priorities to our city: fire, police, and education, and every other budget will absorb that decrease in the budget. That is very difficult for them to do.

The hidden costs of crime are just as important. Last year vandalism cost the taxpayers over \$5 million and we started an anti-vandalism program in the city of Baltimore.

The criminal justice system we all know is overloaded. The court calendar is jammed, prisons are crowded and crime goes up and the system must either let criminals go to the streets or send them to jail where rehabilitation is costly or difficult. It costs about \$13,000 a year to keep someone in jail and we get nothing from it. Wouldn't it be nice to employ that man even at \$12,000 a year in a productive job?

You have asked me to come here today and talk about what can be done to ease the problem of unemployment and crime in the cities. First, there is no simple solution to the problems of crime. We need to attack unemployment and put idle Americans back to work and that is the first priority. Unfortunately, most unemployed Americans lack skills necessary to find a job today.

We must take the responsibility for making these people employable and helping them find a job.

The private sector cannot be expected to hire all the uneducated and unskilled until the economy turns around and more jobs are created and then we must try to help the unemployed.

Let me just digress a second. I had four new people appear before me, four businessmen, to be appointed to a commission, and I said, "I just want to test you with a question, the four of you. I want you all to hire five additional people in your employment."

They weren't gigantic, it wasn't General Electric or General Motors, they were small businessmen.

"Take five people and put them on." They looked at me. I said, "Take four, take three, take two, take one."

They said, "Do you know what you are trying to ask us to do, you have either lost your mind or you are going to bankrupt us. We can't do it right now. It is impossible. We would like to help you. We can't do it."

You can't expect the private sector to pick up immediately all the people who are unemployed who have been laid off and are out of jobs as a result of things we have done in the city. They can't do it. If they could do it they would have done it.

I am not critical of our business community because I have received more cooperation from our business community, I think, than any other mayor in the United States. We started Blue Chip Inn. One industry picked up the weatherization program. They are

giving us \$52,000, nine jobs. But we had maybe 50 jobs in that program. They picked up nine. So there is 41 that we lost.

We have excellent training programs and they work and I feel that Federal employment and training programs are an investment in human capital. For example, every dollar spent by the Federal Government on a CETA on-the-job training, returns \$2.28 back to the taxpayers through lower welfare benefits and reduced crime.

Last year over 11,000 people in Baltimore got unsubsidized jobs because of the CETA program. So as these programs were cut we can expect a hidden cost of higher welfare and increased crime to rise.

My first priority then would be to put unemployed people back to work. And I just said the private sector cannot be expected to pick up all the unemployed.

There is another serious problem that we have to address, the problem of school dropouts. What lies ahead for the 10,000 high school youngsters who dropped out of school in Baltimore each year? These kids will soon find that no one wants to hire them if they are unemployed or unskilled and they will join the ranks of unemployed tax users rather than taxpayers, and many of them, I think, will turn to crime, and we all know that juvenile crime is serious.

We must encourage youths to stay in school. We can lower the dropout rate by setting up programs that demonstrate the difference between school and work. They work with private businessmen to develop part-time afterschool jobs for high school students before they drop out.

We must also reach those who have already quit school through alternative education programs and skill training courses to give them the skills they need to find a job. And then after the kids graduate there has to be at least some hope that they will be able to get a job and not join the ranks of the unemployed and that is important, and youngsters who see their parents who do not have a job and see that they have little chance to get a job, it is a little difficult at times to tell them how important it is today in school.

I have seen training programs work and I know what it means to an unemployed person. I have seen training programs put over 10,000 Baltimore residents to work every year. People lacking skills to get even a job are now taxpayers.

These programs have kept people off the streets and put them to work in Baltimore.

Baltimore was chosen to operate a youth incentive entitlement program in 1978. That was to guarantee a part-time job during the school year and a full-time job during the summer to all eligible high school students who agreed to remain in school or to resume school or to maintain a certain average and we were able to show that that program was a success by decreasing the dropout rate, by increasing the employment rate and by working with employees, working with these kids.

Another program aimed at keeping kids in school is the 6-week Baltimore summer workshop program. Each year low-income youths are given wages with public and nonprofit employers during summer vacation and each year 95 percent of all enrollees re-

turned to school but the budget cuts have cut this program in half in the last 2 years from 16,000 to 18,000 in 1982.

These programs and others like them have helped thousands of youths get an education and a job. But what about unemployed people who are not reached by these programs who are in need of job training? Other training programs offered comprehensive service to economically disadvantaged youths and adults.

Such programs as clerical skills, weatherization, home maintenance, automobile mechanic, carpenter skills, to previously unskilled people.

Through another program, adult offenders in Baltimore can get basic work orientation and job training. Our correctional intake center is the last chance many criminals have to make a new life when they return to the community. Three out of four offenders are either working, finishing their education or learning a skill and this program is also threatened.

I propose that we provide money so that every person leaving a penal institution who wants to work has a job paying at least a stipend for 6 months and during that time we will work with him to continue either his education or try to find him a job.

We have the knowledge, we have the tools. We need the funds. I could show you that the programs we talked about, today, can reduce school dropouts, can employ unemployed youths and adults and keep them off the streets and in short, these programs can help wipe out the high urban crime rate and unemployment.

I can't tell you what to do. I can only suggest some of the impacts that some of the programs have had on the positive side, some of the impacts we will have when we lose the programs on the negative side and I am here just to explain the impact.

We need a continual commitment by the Federal, State and local governments to use the proven employment and training network to full capacity.

I understand the President's need to reduce the Federal budget but until the economy recovers and the private sector is ready to respond, we need resources to fight unemployment and crime, and an across-the-board cut is not the answer.

Before I came over I brought the commissioner of police in and said, "Chief, I am going over to speak to Congress today. What do you want me to tell them with regard to reducing crime?" He said, "OK, my No. 1 priority is drugs. Eliminate drugs. In 40 days in the city of Baltimore he has arrested 1,200 people involved in narcotics. He has confiscated 70 handguns and other instruments of crime. He has plans to discuss these problems with the families of the young people involved in drugs and he suggested mandatory jail sentences for drug peddlers, mandatory jail sentences for persons who use guns in the commission of a third crime and a strong commitment in community relations counseling.

He is going to have a program where he is going to display all those things for the public to see.

Now, how can I fight crime?

First, fight crime by giving youths thinking about dropping out of school a part-time job.

Second, fight crime with economic development assistance by UDAG, EDA and CBDG's so I can continue to bring new business

and jobs into Baltimore like the Hyatt Hotel and the Park Circle industrial park.

The Hyatt Hotel gave us more taxes on that one building than the entire area did 5 years ago. In Hyatt Hotel's commitment to the city of Baltimore, they said, "We know you had a good CETA program. You bring the young people over to the Hyatt Hotel, through the CETA program and we will hire them and train them because we know you have given them the basic training in the first place. Hyatt hired 100 kids, 300 people totally. Of the 100 kids that went over, 87 qualified out of our CETA program.

Third, I can fight crime with manpower training programs designed to make unemployed adults and school dropouts more attractive to employers.

Fight crime by convincing private businessmen unemployment and crime hurts everybody and by encouraging them to provide jobs for the poor.

In short, make it worthwhile to hire a person. If you can't reduce the minimum wage get around it by saying, give them a stipend rather than a minimum wage. Now, that is very touchy for a politician to say and I know it is but I am really concerned.

Find a way to utilize the prisoners that we have in the pen. We are trying to use them through some productive ideals. Nothing brand new. In short, fight crime by attacking its causes before it happens.

That is the end of what I have to say. I just want to thank you again for allowing me to come over. You obviously see that I am concerned. A great city on the move can be toppled over unless we solve the problem of unemployment. Unemployment is involved with crime and I am as positive about that as I can be.

[The statement of Mayor Schaefer follows:]

TESTIMONY OF MAYOR WILLIAM DONALD SCHAEFER,

MAYOR, CITY OF BALTIMORE, MARYLAND

OCTOBER 27, 1981

BEFORE THE HOUSE SUBCOMMITTEE ON CRIME

AND THE

HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

IN THE PAST YEAR, I HAVE COME TO WASHINGTON MANY TIMES TO TELL YOU AND YOUR COLLEAGUES IN THE SENATE WHAT THE NEW FEDERAL BUDGET CUTS WILL DO TO AMERICAN CITIES, ESPECIALLY THOSE CITIES LIKE BALTIMORE THAT HAVE JUST TURNED THE CORNER AND ARE RECOVERING FROM YEARS OF NEGLECT. IT IS NO SECRET THAT I OPPOSE MANY OF THESE CUTS, BUT THE CITY OF BALTIMORE WILL SURVIVE. WE HAVE HAD TO ELIMINATE SOME VERY FINE PROGRAMS, BOTH FEDERALLY AND LOCALLY FUNDED. WE HAVE CUT BACK SOME OTHER IMPORTANT SERVICES. I HAVE HAD TO MAKE SOME PAINFUL DECISIONS ABOUT WHO GETS WHAT IN BALTIMORE. BUT THERE IS ONE PROBLEM AFFECTING EVERY SINGLE COMMUNITY AND PERSON IN AMERICA

THAT I CANNOT IGNORE - CRIME. THERE IS NOTHING MORE SERIOUS, MORE HARMFUL, AND MORE FRIGHTENING THAN VIOLENT CRIME. I HAVE A COMMITMENT TO THE PEOPLE OF BALTIMORE TO PROTECT THEM FROM ACTS OF CRIMINALS. BUT CRIME IS NOT THE ISOLATED ACT OF JUST A FEW INDIVIDUALS: IT HAPPENS EVERYWHERE AND IT HURTS EVERYONE.

THE CUTS IN FEDERAL JOB TRAINING PROGRAMS, THE REDUCTIONS IN PUBLIC ASSISTANCE AND FOOD STAMP BENEFITS, AND THE LACK OF NEW ENTRY LEVEL PRIVATE SECTOR JOB OPPORTUNITIES MEAN THAT MORE PEOPLE THAN EVER WILL NOT HAVE A CHANCE TO BETTER THEMSELVES. WITHOUT A RELIABLE SOURCE OF INCOME, MANY MAY TURN TO A LIFE OF CRIME JUST TO SURVIVE. UNFORTUNATELY, BUDGET CUTS MEAN THAT WE WILL ACTUALLY SPEND LESS MONEY FIGHTING CRIME IN THE FUTURE THAN WE HAVE IN THE PAST. BUT WE CANNOT GIVE UP. INSTEAD, WE WILL HAVE TO COME UP WITH NEW WAYS TO HOLD CRIME DOWN. WE HAVE GOT TO DEVELOP WAYS TO ATTACK THE CAUSES OF CRIME AND PREVENT IT FROM HAPPENING.

ATTORNEY GENERAL SMITH SAYS FIGHTING CRIME IS A TOP PRIORITY OF THE ADMINISTRATION, BUT THAT IT WILL HAVE TO BE DONE WITH LESS FEDERAL HELP. FIGHTING CRIME IS EXPENSIVE. IT IS EXPENSIVE BECAUSE IT INVOLVES MORE THAN JUST BUILDING NEW PRISONS AND HIRING MORE POLICEMEN. IT IS EXPENSIVE BECAUSE IT TAKES A STRONG COMMITMENT BY THE FEDERAL, STATE AND LOCAL GOVERNMENTS TO WORK WITH THE PRIVATE SECTOR TO REDUCE THE NEED FOR TURNING TO CRIME.

THE NUMBER ONE CAUSE OF CRIME TODAY IS UNEMPLOYMENT. THERE IS STRONG EVIDENCE TO SHOW THAT INCREASED UNEMPLOYMENT AND INCREASED CRIME GO HAND IN HAND. A STUDY WAS PREPARED FOR THE JOINT ECONOMIC COMMITTEE OF CONGRESS BY DR. HARVEY BRENNER OF JOHNS HOPKINS UNIVERSITY THAT DESCRIBES THE SOCIAL COSTS OF UNEMPLOYMENT IN TERMS OF CRIME, MENTAL HEALTH, AND PHYSICAL HEALTH. OVER A 35 YEAR PERIOD, EVERY ONE PERCENT RISE IN UNEMPLOYMENT RESULTED IN A 4% INCREASE IN STATE PRISON ADMISSIONS AND A 5.7% INCREASE IN HOMICIDES. CLEARLY, ANY NATIONAL POLICY OR PROGRAM WHICH DECREASES UNEMPLOYMENT WILL ALSO DECREASE CRIME.

AS CRIME GOES UP, CITIES MUST RESPOND WITH INCREASED POLICE, FIRE AND MEDICAL PROTECTION. BUT EVERY POLICE OFFICER I HIRE IN BALTIMORE COSTS THE TAXPAYERS MORE THAN \$21,000 A YEAR. THE PROPOSED CUTS IN GENERAL REVENUE SHARING MAY FORCE ME TO CUT BACK EVEN MORE VITAL SERVICES JUST TO MAINTAIN ADEQUATE POLICE AND FIRE PROTECTION. EMERGENCY MEDICAL SERVICES FOR THE POOR HAVE ALREADY BEEN REDUCED BY THE CUTS IN FEDERAL HEALTH GRANTS. BUT THE COSTS OF CRIME CONTINUE TO RISE.

THE HIDDEN COSTS OF CRIME ARE JUST AS IMPORTANT. LAST YEAR, VANDALISM COST BALTIMORE TAXPAYERS OVER \$5,000,000. WE SIMPLY CANNOT AFFORD THESE CRIMES ANY MORE.

THE CRIMINAL JUSTICE SYSTEM IS ALSO OVERLOADED. THE COURTS ARE OVERWORKED, AND OUR PRISONS ARE TOO CROWDED. AS CRIME GOES UP, THE SYSTEM MUST EITHER RETURN CRIMINALS TO THE STREET, OR SEND THEM TO JAILS WHERE REHABILITATION IS COSTLY AND DIFFICULT. IT COSTS \$13,000 A YEAR TO KEEP SOMEONE IN JAIL IN BALTIMORE - AND THE CITY GETS NOTHING IN RETURN.

YOU HAVE ASKED ME TO COME HERE TODAY AND TALK ABOUT WHAT CAN BE DONE TO EASE THE PROBLEMS OF UNEMPLOYMENT AND CRIME. FIRST OF ALL, THERE IS NO SINGLE SOLUTION TO CRIME. WE NEED TO ATTACK UNEMPLOYMENT AND PUT THOUSANDS OF IDLE AMERICANS BACK TO WORK. UNFORTUNATELY, MOST UNEMPLOYED PERSONS LACK THE SKILLS NECESSARY TO FIND AND KEEP A JOB TODAY. THAT IS WHY WE, THE ELECTED OFFICIALS, MUST TAKE THE RESPONSIBILITY FOR MAKING THESE PEOPLE EMPLOYABLE AND HELPING THEM FIND A JOB. THE PRIVATE SECTOR CANNOT BE EXPECTED TO HIRE AND TRAIN ALL OF THE UNEDUCATED AND THE UNSKILLED. UNTIL THE ECONOMY TURNS AROUND AND MORE JOBS ARE CREATED, WE MUST HELP THE UNEMPLOYED.

FEDERAL EMPLOYMENT AND TRAINING PROGRAMS ARE AN INVESTMENT IN HUMAN CAPITAL. FOR EXAMPLE EVERY DOLLAR SPENT BY THE FEDERAL GOVERNMENT ON CETA ON-THE-JOB TRAINING RETURNS \$2.28 BACK TO THE TAXPAYERS THROUGH LOWER WELFARE BENEFITS, HIGHER TAX REVENUES, AND REDUCED CRIME. LAST YEAR, OVER 11,000 PEOPLE IN BALTIMORE GOT UNSUBSIDIZED JOBS BECAUSE OF THE CETA PROGRAM, AT A COST OF LESS THAN \$6,000 EACH. SO AS THESE PROGRAMS ARE CUT, WE CAN EXPECT THE HIDDEN COSTS OF HIGHER WELFARE AND INCREASED CRIME TO RISE. THE BEST WAY TO PREVENT CRIME IS TO TAKE AWAY THE NEED FOR IT BY PUTTING OUR UNEMPLOYED TO WORK.

WHAT ELSE CAN WE DO TO REDUCE THE PROBLEMS OF CRIME AND UNEMPLOYMENT? WE HAVE TO ADDRESS THE PROBLEM OF SCHOOL DROPOUTS. WHAT LIES AHEAD FOR THE 10,000 HIGH SCHOOL STUDENTS WHO DROP OUT OF SCHOOL IN BALTIMORE EACH YEAR? THESE KIDS WILL SOON FIND OUT THAT NO ONE WANTS TO HIRE AN UNEDUCATED, UNSKILLED YOUTH. AS THESE YOUTH JOIN THE RANKS OF UNEMPLOYED TAX USERS, MANY WILL TURN TO CRIME.

WE MUST ENCOURAGE YOUTHS TO STAY IN SCHOOL. WE CAN LOWER THE DROPOUT RATE BY DESIGNING PROGRAMS THAT DEMONSTRATE THE LINK BETWEEN SCHOOL AND WORK. SCHOOLS MUST WORK CLOSELY WITH EMPLOYMENT AND TRAINING PROGRAMS AND PRIVATE BUSINESSMEN TO PROVIDE PART-TIME AFTER SCHOOL JOBS TO HIGH SCHOOL STUDENTS BEFORE THEY DROPOUT. WE MUST ALSO REACH THOSE WHO HAVE ALREADY QUIT SCHOOL THROUGH ALTERNATIVE EDUCATION PROGRAMS AND SKILL TRAINING COURSES TO GIVE THEM THE SKILLS THEY NEED TO FIND AND KEEP A JOB.

I KNOW WHAT I SAY WHEN I TALK ABOUT THESE EMPLOYMENT AND TRAINING PROGRAMS BECAUSE I HAVE SEEN THEM WORK. I KNOW WHAT THEY MEAN TO UNEMPLOYED PEOPLE. I HAVE SEEN THE CETA PROGRAM PUT OVER 10,000 BALTIMORE RESIDENTS TO WORK EVERY YEAR. PEOPLE THAT ONCE LACKED THE SKILLS AND EDUCATION TO GET EVEN ENTRY-LEVEL JOBS ARE NOW TAX-PAYERS. LET ME TELL YOU HOW THESE PROGRAMS HAVE KEPT PEOPLE OFF THE STREETS AND PUT THEM TO WORK IN BALTIMORE.

BALTIMORE WAS CHOSEN TO OPERATE A "YOUTH INCENTIVE ENTITLEMENT" PROGRAM IN 1978 THAT GUARANTEED A PART-TIME JOB DURING THE SCHOOL YEAR, AND A FULL-TIME JOB DURING THE SUMMER, TO ALL ELIGIBLE HIGH SCHOOL STUDENTS WHO AGREED TO MAINTAIN OR RESUME SCHOOL ATTENDANCE. AS LONG AS THESE STUDENTS STAYED IN SCHOOL WITH AVERAGE GRADES, WE PROVIDED A REAL WAGE PAYING JOB. OVER THE FOUR YEARS, MORE THAN 20,000 KIDS WERE EMPLOYED. OF THOSE, 4,000 DROPOUTS FOUND THE PROMISE OF A JOB STRONG ENOUGH TO LURE THEM BACK TO SCHOOL. THE OTHER RESULTS WERE JUST AS ENCOURAGING.

-THE SCHOOL DROP-OUT RATE DECREASED BY 15% IN THE PARTICIPATING SCHOOLS

-YOUTH EMPLOYMENT INCREASED 85% IN A SINGLE YEAR

-MINORITY YOUTH EMPLOYMENT IN THE PARTICIPATING SCHOOLS INCREASED TO THE LEVEL OF WHITE YOUTH EMPLOYMENT - FROM 24% TO 54%

-55% OF ALL JOBS WERE IN THE PRIVATE SECTOR

THIS DEMONSTRATION DID MORE TO REDUCE THE DROP-OUT RATE IN BALTIMORE THAN ANY OTHER SINGLE PROGRAM. BUT THE PROGRAM HAS BEEN ELIMINATED AND I NOW FACE A RISING DROPOUT PROBLEM AGAIN.

ANOTHER SUCCESSFUL PROGRAM AIMED AT KEEPING KIDS IN SCHOOL IS THE SIX WEEK "BALTIMORE SUMMER CORPS" JOB PROGRAM. EACH YEAR, LOW INCOME YOUTHS ARE GIVEN WAGE PAYING JOBS WITH PUBLIC AND NON-PROFIT EMPLOYERS DURING THEIR SUMMER VACATION, AND EACH YEAR, 95% OF ALL ENROLLEES RETURN TO SCHOOL. BUT BUDGET CUTS HAVE CUT THIS PROGRAM IN HALF IN LESS THAN TWO YEARS - FROM 16,000 YOUTHS 1980 TO ABOUT 8,000 FOR 1982.

THESE PROGRAMS, AND OTHERS LIKE THEM, HAVE HELPED THOUSANDS OF YOUTHS GET AN EDUCATION AND A JOB. BUT WHAT ABOUT THE UNEMPLOYED PEOPLE WHO ARE NOT REACHED BY THESE PROGRAMS AND ARE IN NEED OF OTHER JOB TRAINING. OTHER CETA TRAINING PROGRAMS OFFER COMPREHENSIVE SERVICES TO ECONOMICALLY DISADVANTAGED YOUTHS AND ADULTS. CETA OFFERS PROGRAMS IN CLERICAL SKILLS, WEATHERIZATION, HOME MAINTENANCE, AUTOMOBILE MECHANICS, AND CARPENTRY SKILLS TO PREVIOUSLY UNSKILLED PEOPLE.

THROUGH ANOTHER CETA PROGRAM, ADULT OFFENDERS IN BALTIMORE CAN GET BASIC WORK ORIENTATION AND JOB TRAINING. OUR CORRECTIONAL INTAKE CENTER IS THE LAST CHANCE MANY CRIMINALS HAVE TO MAKE A NEW LIFE WHEN THEY RETURN TO THE COMMUNITY. THREE OUT OF FOUR OFFENDERS SERVED BY CORRECTIONAL INTAKE ARE EITHER WORKING, FINISHING THEIR EDUCATION, OR LEARNING A NEW SKILL. BUT THIS PROGRAM IS ALSO THREATENED BY THE CUTS TO CETA. SO I ASK YOU AGAIN - WHERE WILL THEY TURN?

AS YOU CAN SEE, WE ALREADY KNOW HOW TO COMBAT THE CAUSES OF HIGH CRIME, BUT OUR PROGRAMS ARE BEING JEOPARDIZED BY CUTS TO THE FEDERAL BUDGET. IF YOU WILL COME TO BALTIMORE, I WILL SHOW YOU THAT THE PROGRAMS I HAVE TALKED ABOUT TODAY CAN REDUCE SCHOOL DROP-OUTS, CAN EMPLOY UNEMPLOYED YOUTHS AND ADULTS AND KEEP THEM OFF THE STREETS - IN SHORT, THESE PROGRAMS CAN HELP WIPE OUT THE PRIMARY CAUSE OF HIGH URBAN CRIME RATES - UNEMPLOYMENT.

I AM NOT HERE TO CRITIZE THE PRINCIPLES OF THE PRESIDENT'S ECONOMIC RECOVERY PLAN. I AM HERE TO TALK ABOUT HIGH UNEMPLOYMENT AND CRIME, AND WHAT WE CAN DO TO EASE BOTH PROBLEMS. WE NEED A CONTINUED COMMITMENT BY THE FEDERAL, STATE AND LOCAL GOVERNMENTS TO USE THE PROVEN EMPLOYMENT AND TRAINING NETWORK TO ITS FULLEST CAPACITY. I UNDERSTAND THE PRESIDENT'S NEED TO REDUCE THE FEDERAL BUDGET, BUT UNTIL THE ECONOMY RECOVERS AND THE PRIVATE SECTOR IS ABLE TO RESPOND FULLY, WE NEED RESOURCES TO FIGHT UNEMPLOYMENT AND CRIME. ACROSS THE BOARD BUDGET CUTS ARE NOT THE ANSWER.

HOW CAN I FIGHT CRIME? I CAN FIGHT CRIME BY GIVING YOUTHS THINKING ABOUT DROPPING OUT OF SCHOOL A PART-TIME JOB; I CAN FIGHT CRIME WITH ECONOMIC DEVELOPMENT ASSISTANCE, LIKE UDAG, EDA, AND CDGB'S, SO I CAN CONTINUE TO BRING NEW BUSINESSES AND NEW JOBS INTO BALTIMORE - LIKE THE HYATT HOTEL AND THE PARK CIRCLE INDUSTRIAL PARK; I CAN FIGHT CRIME WITH MANPOWER TRAINING PROGRAMS DESIGNED TO MAKE UNEMPLOYED ADULTS AND SCHOOL DROPOUTS MORE ATTRACTIVE TO MY AREA EMPLOYERS; I CAN FIGHT CRIME BY CONVINCING PRIVATE BUSINESSMEN THAT UNEMPLOYMENT AND CRIME HURTS EVERYONE AND BY ENCOURAGING THEM TO PROVIDE JOBS TO POOR AND UNEMPLOYED PEOPLE: IN SHORT, I CAN FIGHT CRIME BY ATTACKING ITS CAUSES BEFORE IT HAPPENS.

CRIME WHAT ARE THE PROBLEMS?

UNEMPLOYMENT

- . LACK OF ENTRY LEVEL, PRIVATE SECTOR JOBS.
- . CUTBACKS IN CETA JOB TRAINING.
- . REDUCED PUBLIC ASSISTANCE.
- . REDUCED FOOD STAMP BENEFITS.

WITHOUT A RELIABLE SOURCE OF INCOME,
MANY WILL TURN TO CRIME TO SURVIVE.

JOHNS HOPKINS STUDY SHOWS:

AN INCREASE OF:

UNEMPLOYMENT RATE BY 1%

INCREASES

HOMICIDE RATE BY 5.7%

AND

PRISON ADMISSIONS BY 4%

RISING
UNEMPLOYMENT

RISING
CRIME

AS CRIME INCREASES, SO DO OUR COSTS:

- . MORE POLICE PROTECTION -
 - 1 POLICE OFFICER COSTS \$21,000/YEAR
- . MORE FIRE & EMERGENCY MEDICAL PROTECTION
 - THREATENED BY FEDERAL BUDGET CUTS
- . PROPERTY DAMAGE -
 - VANDALISM COSTS BALTIMORE \$5,000,000/YEAR
- . OVERLOADED CRIMINAL JUSTICE SYSTEM -
 - EACH CITY JAIL PRISONER COSTS \$13,000/YEAR

HOW CAN WE FIGHT CRIME?

* BY PUTTING THE UNEMPLOYED TO WORK.

--- BALTIMORE'S CETA PROGRAM PLACED 11,000 + JOB SEEKERS
LAST YEAR.

HOW CAN WE FIGHT CRIME?....

* BY REDUCING THE NUMBER OF SCHOOL DROPOUTS.

- BALTIMORE'S CETA FUNDED YOUTH INCENTIVE ENTITLEMENT PROGRAM:
 - . EMPLOYED 20,000 LOW-INCOME YOUTH.
 - . LURED 4000 DROPOUTS BACK TO SCHOOL.
 - . DECREASED THE DROPOUT RATE BY 15%.
 - . INCREASED YOUTH EMPLOYMENT 85% IN 1 YEAR.
 - . DOUBLED MINORITY EMPLOYMENT RATES FROM 24% TO 54%.

ELIMINATED FOR FY'82

HOW CAN WE FIGHT CRIME?.....

* BY PROVIDING SUMMER JOBS FOR YOUTH.

CETA FUNDED BALTIMORE SUMMER CORPS:

- . PROVIDES WORK EXPERIENCE.
- . PROVIDES NEEDED INCOME.
- . TEACHES GOOD WORK HABITS.

SUMMER JOBS CUT 50%

HOW CAN WE FIGHT CRIME?

* BY HELPING EX-OFFENDERS.

---- BALTIMORE'S CETA FUNDED CORRECTIONAL INTAKE PROGRAM:

- . PROVIDES BASIC WORK ORIENTATION.
- . PROVIDES SKILL TRAINING.
- . HELPS EX-OFFENDERS RE-ENTER THE COMMUNITY

FUNDING CUT BY 30%

WHAT DO WE SUGGEST?

- . PART-TIME JOBS FOR YOUTH.
- . ECONOMIC DEVELOPMENT PROGRAMS TO CREATE JOBS (UDAG, CDBG & EDA).
- . SKILL TRAINING PROGRAMS.
- . PRIVATE SECTOR COMMITMENT.

FIGHT CRIME BY ATTACKING
THE CAUSE - UNEMPLOYMENT.

Mr. HAWKINS. Thank you, Mr. Mayor.

The chair will follow the 5-minute rule rather strictly in questioning the witnesses because we do have an excellent turnout, and also ignoring seniority, or not wishing to alternate back and forth between the two committees, if it is acceptable I will simply call on the members as they came to the hearing today, so that we will simplify it in terms of seniority in your presence this afternoon.

At this point the chair will yield to Mr. Hughes.

Mr. HUGHES. Thank you, Mr. Chairman.

Permit me to commend you, Mr. Mayor. I understand you have been in office now since 1971 and that you bring some 26 years of experience to this topic.

Even though you haven't said so, because you have been kind, you have suggested that the present direction is the wrong one. Is creating employment and reducing unemployment an essential ingredient in combating crime, in your judgment?

Mayor SCHAEFER. Yes.

Mr. HUGHES. Anything that can be done which in essence produces additional employment opportunities is again the right direction?

Mayor SCHAEFER. Yes, sir.

Mr. HUGHES. You also suggested the Federal Government has a role to play but you haven't clearly defined that role. Do you think it is significant that the Federal Government has control, for instance, over, in many respects, interest rates? Interest rates have a direct bearing upon employment opportunities and business failures.

Do you feel that where the Federal Government can stimulate economic activity, or can in fact create those times when there isn't very much activity, it puts an additional burden upon the Federal Government to develop programs that will assist communities like yours?

Mayor SCHAEFFER. I think it is absolutely essential that you do. I think, unfortunately, you lost sight of the very good things that happened with the employment programs that you had. It was very easy in a way—and I try not to be critical and I don't come over to speak critical. It is very easy to knock out programs because there was tremendously bad publicity about manpower.

I have been told that we have been the exception on manpower. We had a good program. If you have an unskilled person, a person who has had very little initiative as far as a job is concerned and you have been able to bring them along to where they no longer attack users as a result of proposals and you make them taxpayers, I think that is good. I think that is the role that you have.

In an area of necessity like ours if you are beginning to take a city like ours, as I said, and you are beginning to confine most of the poor there, I think you owe us, to help us come up with a program to take care of the employment problem.

I am talking about good jobs, I am not talking about just any type of job. A motivative job. A job where a person has an opportunity to make some money, where he can move on in life.

Mr. HUGHES. First, we can look at statistics and data all we want. You bring forth a practical approach to the problem. If I understand your testimony correctly you have made it clear that

training and retraining programs for young people, efforts to keep young people in school, efforts to keep people away from idleness and street activity and efforts to channel people into productive corridors, have a direct relationship on the crime problem. That is the bottom line for you.

Mayor SCHAEFER. Congressman, you are going to say how do you know it. I can just tell you over the years, I have seen young people that we have been able to bring into programs, to keep in schools, I have seen them develop.

Had we not been able to keep them in the schools there is a great possibility they would be the problem people of today.

Now I could go out and bring you case history after case history of people. I am not saying that we were entirely successful. If you work with a person who has never had a job, whose family has never had a job, who hasn't known what the work ethic is, you teach them. "You have to be at work at 8:30. You know that. You have to work 5 days a week. You know that. You come in on Monday. You come in on Friday. You work hard."

That takes a heck of a lot of time and effort but it is worth it because you are saving a lot of kids that can cost you that \$13,000 in the penal institutions.

Now, I have seen it with my own eyes. I can take you over to Baltimore and show you some of the programs that have worked. I cannot talk about every city. I cannot talk about affluent cities that don't have this problem. I am talking about a city where you walk along the street. The three of us cannot walk along today that somebody doesn't come up and say, "I need a job." Some of them do it for effect but most of them really mean it.

When you talk to a kid who comes up mad and frustrated and yelling at you saying, "I want a job," you can say don't bother me, I have enough problems of my own. But you should be able to say to the kid, "There is a possibility I can get you a job." He doesn't need a maximum wage. Just get him something to do where there is some reward, a little money in his pocket.

It is basic. Some of the programs you had were great programs. They were not failures.

Mr. HUGHES. Thank you, mayor. You have been most helpful.

Mr. SAWYER. Thank you, Mr. Chairman.

I appreciate your testimony and I appreciate the observation that Chairman Hughes made, that you speak from experience. The older I get, the more I appreciate experience.

Years ago, we used to have a lot of condemnation going on in my city. We would have appraisers do a capitalization of income approach, or another kind of approach. I often thought perhaps our leading realtor could say: "I don't know about your fancy arithmetic, but I know I can sell this building for this much if I put it on the market." I would end up with more confidence in his statement than with all the fancy mathematics.

Several things bother me about this. How do you reconcile the fact that during the last 20 to 25 years, we have had perhaps the greatest growth of social programs and Federal benefits to individuals in our history, yet, we have had a similar increase on a per capita rate of crime. That is one thing that bothers me.

Mayor SCHAEFER. I guess if I knew the answer to that we would have the whole situation solved. I really cannot answer except from my own personal experience I think if you are able to provide jobs you will just keep the crime rate down. I just can't answer. Maybe Hilbert can give a better answer than I. He is a former principal, Human Services Coordinator, who worked very closely with kids. Maybe he can give a better answer.

Mr. STANLEY. I don't think I have the answer, either. I believe there is a time we are facing now where we have to look at a coordinated approach to dealing with crime, with unemployment. We have done patchwork kinds of things and not looked at it, in my opinion, on a comprehensive basis.

I think that is a simplistic answer, but I would certainly suggest that might be a way to go.

Mr. SAWYER. What the mayor says from his experience is, really, the point of view I basically had. It seemed to me it makes common sense that unemployment, poverty, and lack of opportunity, as the individual may see it, to get a piece of the action legitimately would logically be incentives to crime.

And yet, I am troubled by what I have heard in the last 6 months or so that seems to refute that.

I said in my opening statement, with regard to Orsagh and Witte, that out of some 10 pre-1975 studies, 3 showed a statistically significant relationship between unemployment and crime, but 7 showed none. These studies by very eminent people leave this in a kind of never, never world.

As our various programs have grown, so also has our crime rate. These things bother me. I had a previous conception and now I am not nearly so sure.

Mayor SCHAEFER. I think you have to weigh a practical person versus those theoretical statistics. From my standpoint, I would listen to me and wouldn't worry so much about some academic genius who comes up with a lot of figures.

What I would do, I would walk some streets, I would walk some alleys, I would talk to some people. I would look in the eyes of young people and hope that they have a little hope in their minds that there is an opportunity for them.

I look at a person my age who has no chance in the world for reemployment if they lose their present job. I am not exactly old, am not exactly young but there is no opportunity for me at the present time. There are just too many young people, too many people out of work.

While I respect the theory, I would listen to a practical person who only knows Baltimore, not the rest of the world. If I have some resources, if I have some way of putting people to work who want to work, or that I think we have a chance of saving, I think we can reduce the crime rate.

Mr. SAWYER. Anybody that can survive as long as you have as the mayor of a major city in the United States ought to be listened to and probably ought not to have to worry about how he is going to get employment.

Mr. HAWKINS. Mr. Weiss.

Mr. WEISS. Mayor, what do you say to the argument that, yes, there are people who are going to have to suffer for the time being

but we have to revitalize the economy, and then that revitalized economy will take care of all the problems you are facing in Baltimore.

Mayor SCHAEFER. I am asked that question every day, Mr. Weiss, and I am very, very touchy about it because the person who says we must suffer a while, they don't have to talk to anyone. They don't have to talk to the kids. They don't have to talk to older people, they don't have to talk to the underprivileged. They don't have to talk to the blind. They don't have to talk to these people.

I talk to them and I can go to them and say, "Now, son, what you have to do is suffer." He doesn't want to hear that. He will say, "Mayor, this winter you better be prepared to take care of me with fuel oil. You better be prepared to take care of me with clothing this winter and with food."

Those are the things we stress right now in the city of Baltimore. Three things. Take care of this person to see as best we can that they have a house that they can be in, relatively warm, that we are working on clothes. We are not the poorest city in the world. I don't want you to get an idea that we are totally destroyed, but we are looking for clothes.

If somebody needs some clothing or somebody needs some food we are prepared.

I try to understand this. I try to understand people who tell me that the business community is going to pick up the slack. I can't ask the business community of Baltimore to hire all the people that are laid off. They can't do it right now.

If I would ask them to do that—first of all, they would just say, thank you, it has been nice talking to you, and walk out.

They are doing all they can. I honestly believe they are doing as much as they can right now. They have come up with ways to keep the weatherization program in operation. Come up with ways to keep the arson problem in operation. Come up with clothing programs. I can't tell all of them to start hiring people.

Mr. WEISS. Now, Mayor, we were told by the President and the administration that if we engaged in the cutbacks of various social programs and if we cut taxes, that a better day is coming.

At this stage, at least at the national level there seems to be some questions as to whether or not that better day is coming. I wonder if you could tell us what the projection is in Baltimore?

Mayor SCHAEFER. Congressman, what I have tried to do in all seriousness is not to come over and criticize as the mayor of a major city. I didn't do it when the previous administration was in, I am not doing it now.

All I am trying to do is to tell you what I see is the problem and the impact right now. I am worried for the next 12 months. I don't see any change to the better. I only see more unemployment.

General Motors is cutting back in the city of Baltimore. We have had your help in keeping General Motors in the city of Baltimore; 5,000 jobs with a spinoff of 10,000 jobs. If they leave that is a setback.

What I am trying to say is I don't see a quick pickup. People have to live now. They must live for the next 12 months or the next 18 months and I don't think anyone would mind getting a

little pinch but when you are pinching them to where there is nothing left, then I would.

Mr. WEISS. Finally, what kind of reaction are you getting from the affected communities in your city after these cutbacks and from your own cabinet people who have to deal with those communities?

Mayor SCHAEFER. Well, Hilbert Stanley, when I told them they were going to cut their budget back next year—I said they are going to absorb all the costs, inflation and everything else—they don't know whether they can do it or not—well, could do it—the impact—I think people in the city have been very responsible, very realistic.

I worry when I ride around the city, now, and see six or seven young black people standing on the corner, unemployed. I worry. They are not doing a thing, they are not hurting anything, they are not destroying the city, they are not doing anything but there is nothing for them to do. They expect us to find an answer. I don't like to shift the burden by continuing to say, "This happened because the Federal Government cut the program." I don't want to do that.

Mr. WEISS. Thank you very much.

Mr. HAWKINS. Mr. Fish.

Mr. FISH. Mayor Schaefer, I appreciate your testimony. I do think that, along with unemployment, there are several other factors that have accounted for the rising crime rate, such as the breakdown of family ties and neighborhood stability, and the source of one's reputation in the community.

I think those are equally important. In addition, there is the repeat offender. He makes an economic choice that crime is the better way. There is less risk, there is low overhead and you don't pay taxes.

I appreciate what you said about crime prevention. That is the responsibility of law enforcement, to prevent crime. We should look before the fact, and not after the fact, as much as we do.

I would be interested in the degree of community involvement in Baltimore in terms of house watches, and neighborhood watches. The crime subcommittee received testimony from other cities around the country on that. They have been very successful in reducing the rate of crime in the areas in which they are operating, by as much as 20 or 50 percent.

Do you have these programs?

Mayor SCHAEFER. We do. We have them and we are increasing them and setting them up. We have a police commissioner by the name of Bataglia who came in—an old-time policeman, I guess that would be the term for him, who believes in foot patrolmen.

He recently has put on 25 additional foot patrolmen paying them overtime to work in the communities. There will be more dispersion of footmen out of cars onto the streets.

We have a Community Relations Council and I think we were one of the first cities in the United States to start that some time ago and they work very well because that is the direct line between the commissioner, the community, and the police and I think that has worked.

We have patrols going around the neighborhood, we have CB's, we have all those things. But all that is very good but it only lasts a certain length of time. Volunteerism is a great thing but it only lasts a certain length of time before the interest sort of wanes and then it goes up again.

All the things that you have mentioned we have had and will continue to do and stimulate because crime prevention and neighborhood participation is absolutely essential.

One thing we have to learn is it is the police who must make the apprehension and it is the people who must do it.

One of the things we are finding in communities is reluctance on the part of people to report a crime. They weren't involved, they won't do it. They were afraid of retribution or whatever it might be.

I found in the city of Baltimore some months ago that changed where people in the community now are stepping forward, not absolutely in the open but they are stepping forward and reporting crimes.

We have one other thing. If you report a crime there is a reward system put out by the merchants to take care of crime and we have solved many crimes with that.

Mr. FISH. That is good news. It is one of the problems in the criminal justice system. The number of crimes that are unreported shows lack of public confidence in it.

There is one other idea I want to talk about. On page 14 of your testimony, you talked about the Baltimore summer corps job program. This is where low-income youths are given wage-paying jobs. Public and nonprofit employers give the jobs during summer vacation and 95 percent of your enrollees returned to school. This and some other programs were cut.

In the city of New York, there is a partnership of the chamber's five bureaus. They got together and made 40,000 telephone calls about 15,000 summer jobs to make up for the cutback in CETA in the private sector.

I think that is the type of response I would expect from the private sector at this time and I recommend it to you.

Mayor SCHAEFER. We have asked for the help of the private sector for 4 years. We have the National Alliance of Businessmen who do this. That is an entirely separate aspect but what I worry about, in this summer youth program we have found one of the best programs we could have. The minimum wage has cut the amount of youngsters you can handle.

I worry about that and that is why I say maybe you can change the word from minimum wage to stipend so that you can accommodate not 8,000 but the 16,000 kids that we could handle in the city of Baltimore. I would like to see that done.

I know this is a touchy one. I understand the political problems on that but there has to be a way to take care of those kids that will work and they will learn for the first time because we will not tolerate kids who just come on to make money and don't do anything. If they don't work they get fired.

They get supervised and we have learned over a long period of time that we know how to do it. We are already set for next year.

Mr. FISH. Are you recommending a lower minimum wage?

Mayor SCHAEFER. Yes, sir.

Mr. FISH. I think that is very important coming from you.

Mr. HAWKINS. The chair will declare a 5-minute recess. The members must respond to a vote taking place in the House.

Mr. HAWKINS. The hearing will be in order. Mayor Schaefer, we will try to speed things up. I know that your time is limited. Feel free to indicate any time you must leave.

Mr. Corrada.

Mr. CORRADA. Mr. Mayor, what was the number of individuals who lost their jobs in Baltimore under the public service employment component of the CETA jobs program?

Mayor SCHAEFER. 3,000. We were forced to lay off 3,000, almost within, say, 30 to 60 days. Of those 3,000, I think about a third were able to find employment, either in the private sector, or we picked them up in vacancies in the city government.

Mr. CORRADA. How about the other two-thirds?

Mayor SCHAEFER. I am not really sure. I think of that two-thirds, now another one-half of that two-thirds most likely have jobs, because of training.

Mr. CORRADA. Could you tell us if any of those were doing work that might have been directly or indirectly associated with crime prevention, or supporting services provided by the city government that would have the tendency of fighting crime?

Mayor SCHAEFER. I am going to ask Tommy Jackson to tell you about the specific program, but we had 20, either CETA or public service employees directly employed in intake. That is, trying to divert young people from the criminal cycle, out of the criminal cycle. We lost them. We could not pick them up. The city couldn't pick them up. They were doing work directly related to crime prevention in the criminal justice system.

I think Tommy can give you a specific answer to that because they asked us to keep those 20 people on.

Mr. JACKSON. We had a diversionary program we had operated due to the support of the Baltimore city State's Attorney's Office and the Juvenile Justice Administration in Baltimore City, where we did various diversionary programs for kids coming in who were perhaps first-time offenders and we tried to do neighborhood mediation, which was in large part successful working with them in the school system and in the community, having some social responsibility and readjustment right there in the community, and restitution being made to the victim in the community where the offense might have occurred and moving the kids through and following them through the process, as opposed to putting them within the juvenile justice system which might entail court appearances or perhaps even institutionalization.

Mr. CORRADA. Did the curtailment of the CETA program affect different projects in combating crime?

Mayor SCHAEFER. Public service employment, as far as the city was concerned, I think, was one of the very successful parts of the CETA program. When we hired the people they were put in jobs that were productive. They were not make-work jobs.

They were in nonprofit organizations, the criminal justice system, or any area at all. To answer your question specifically, yes, sir, it was.

Mr. CORRADA. In addition to the correlation that may exist with the increase in levels of employment and crime, some of the CETA projects and public service employment provided under the program were definitely associated with efforts to combat crime.

I mention this, of course, because I am aware that we lost 25,000 jobs under the public employment component of the CETA jobs program and I was aware, because I was familiar with that program, that many of them were being utilized in projects that were associated with services provided both by the State government as well as in large cities that were prime sponsors in efforts associated with crime prevention.

I would like certainly to state that I believe that the termination of that program has definitely had the effect of being a setback in terms of efforts to prevent crime.

I yield back the balance of my time.

Mr. HAWKINS. Thank you.

Mr. Jeffords.

Mr. JEFFORDS. I have been through your Baltimore programs and Marian Pines and all the people in the Baltimore schools have done a fantastic job in this particular area and I want to compliment you on that. What you have done over there in your time is amazing. That is the praise.

The problem I have is that I wish the mayors had screamed en bloc, as a lot of you are screaming today, about the demise of the employment program because to be honest with you, we have heard very little concern. At least I have personally, being the ranking member on the committee, from anyone so close to CETA, until today. I have heard some concern expressed from the prime sponsors, but very little.

I would just like to point out that in relation to public service employment, there was a lot of screaming during the time that was coming into being with regard to the need for the program, but notwithstanding the compliments just made, I would point out that is probably the reason for the demise of the whole CETA program.

I am going to be working with the administration to try to pull the pieces together here and take stock in what we have but I feel the first thing we have to do is change the name to something other than CETA.

That is the biggest problem we have right now.

Also, I would just ask you to extend a message to the White House, get the mayors to extend a message to the White House, similar to what you have done today, to assist me in raising the level of concern at that level so that I can get some movement out of the Department of Labor, a little more enthusiasm for trying to do more in the youth employment area.

Mayor SCHAEFER. I have appeared here no less than 15 times, talking about CETA and I must have missed you at some of the committee hearings, but I was the first mayor to come over and talk about impact. Mayors didn't want to come over because I guess they thought that the world was going to be OK, that things were going to work out or their individual cities would.

When they found out the full impact of the budget cuts and how they affected manpower programs, they came over. They came late.

I would love to bring over all of our charts. We are known for charts. We are Chart City, U.S.A. We have charts on everything.

We can show you what the impact was on the region, we can show you the impact on the cities, we can show you the impact of loss of subservice employment, CETA programs, all the way down the line.

I just was talking to the reporters and unfortunately it is never the good things that are reported in programs. They are not the glamor things. It is the things that are wrong with the program that usually get the ink, the press and the television.

If we could have you come over and look at what we have done with manpower and how we could affect the lives of young people, you would be amazed with a successful program. It was a successful program. The name CETA should be gone. It should go. I don't care what you call it, but you need a program involving employment. Take the word CETA away.

You don't have to have the full CETA program, because there were parts of the CETA program that we suggest may be cut out but don't take the whole program and end it. It ended too rapidly, it didn't give us a transition period to take care of people.

We could make suggestions to the committee or to anyone, on cutbacks, revising parts of the program, but you need a manpower training program, an employment training program, a public service employment program in cities like ours.

Mr. JEFFORDS. I agree with you.

Now, the next part I have to play, working along with our chairman and hopefully the administration, is to take the existing funding that we have left after a 60-percent cutback and figure out, looking at what we have accomplished and where our successes have been—and many of them have been in your area—and figure out what kind of a program we should devise using those rather limited resources that are left, to give the best possible programs to the cities and to the States.

That is what I am attempting to do now. We are trying to face reality and see where we go from here. I have seen what you have done in Baltimore and personally would give you a blank check but I am concerned about the problems you would have with CETA and other things in this area.

Where should we apply the greater emphasis? Where do we establish our priorities with those limited resources? Is it the school dropout, the untrained youth, the dislocated workers, or those who are trained but haven't the tools to find jobs?

Where must we put the emphasis and what programs do we devise? What role does the State and local government have to play? What kind of interplay has there been between the educational systems of the cities and the CETA programs? What have they learned from each other?

The end result has to some day be that we have a good enough educational system that we don't have dropouts. I have seen some innovative things in the CETA program, but what interplay have you had with the educational system to try to get those things built into the educational programs so that we don't need the Federal programs.

Mayor SCHAEFER. We have interplay with the educational system of the city of Baltimore. Dr. Cruin has been very helpful. In all of the programs they have been involved. The private sector in Baltimore is becoming much more involved. They are picking up part of their responsibility.

I think it is all right with you, we could have Marian prepare what you are saying. One of the things we need to know, however, is what moneys we have. What do we have to talk about?

Mr. JEFFORDS. Some concern has been raised that there is a back-door cutback we are not even aware of in these programs, that hasn't come to light yet, and that the administration has further cuts in mind now. I would like to know if that is true and if it is true, I would appreciate some facts and figures so I can take that up with the White House and with the Department of Labor.

Mayor SCHAEFER. You can get the National League of Cities also involved because they have a policy. My policy may be a little different from the National League, but they have a basic policy. We would be glad to prepare what we think can be done because all the things that you have talked about are factors.

Business is working with us, the school system is working with us.

One thing you do need to know, however, is if you go through the State—and, again, I know that battle is most likely over, going through the States, the only thing I can say, unless somewhere in the legislation there are some restrictions that areas of need where the money is going and where the training is going, as a political solution, it is going to go in proportion to the number of people in the States.

It is going to go to the rich and that is going to be of no benefit to subdivisions like ours. We will not get the preponderance that we need of the training—training money—and that worries me.

That is why I would like to deal directly with the Federal Government as far as our program is concerned. We got along fine. We had no problems. We were accountable, we had good programs, we were open to inspection, we produced.

If you go through the States and the States have to divide it 23 different ways, the areas of need will not get the money. That is why I suggest not only go to block grant but have something in the formula that state areas of need within the States to get the preponderance of assistance.

Mr. JEFFORDS. I look forward to working with you. We passed a bill a year ago with great enthusiasm. I was a step ahead in the youth area, trying to tie programs together. This year we have taken a 180-degree turn on the situation.

Many of the ideas that were involved, I would have to say to my own mind came from Baltimore, due to the success you have had over there.

Mr. HAWKINS. Mr. Hall.

Mr. HALL. Thank you, Mr. Chairman.

Mr. Mayor, how much money has been channeled into Baltimore by the Federal Government in the past 10 years? An estimate?

Mayor SCHAEFER. I couldn't tell you. I would say millions and millions, \$100 million, \$250 million. The ultimate question I guess is, has all that money been cost-effective?

Mr. HALL. You say \$200 or \$300 million would be a fair statement?

Mayor SCHAEFER. Maybe more.

Mr. HALL. What has happened to the rate of crime in Baltimore during that same period of time?

Mayor SCHAEFER. It has been up and down. It has been up, it has been down. My own analysis would be that in times of high unemployment, crime has been increased.

Mr. HALL. But during those periods of time when unemployment would increase, did you have the CETA program, the UDAG program, or the EDA program operating in your city?

Mayor SCHAEFER. Sometimes, yes, sir.

Mr. HALL. It is obvious you have had tons of money over the past several years—does it ever appear that maybe that is not the right approach, that the end result is not what it should be by using that kind of money?

Mayor SCHAEFER. Congressman, that is a good justification for not giving us any.

Mr. HALL. That is not the point I am trying to make. I am not trying to justify what has or has not been done. What I am trying to say, is I hear people talking about what is going to happen when you have some cuts in Federal aid to cities and you hear, on the other hand, there have been literally millions and millions of millions of dollars given to these same cities and during that period of time there has been no appreciable reduction in crime.

Mayor SCHAEFER. But there has been measurable increase in neighborhood stability, increase in the cities that 10 or 15 years ago were on the skids. I have here the same thing that you are saying.

Mr. HALL. Why has crime increased?

Mayor SCHAEFER. If I knew the answer, Congressman, I would have given it in my opening statement. The answer I am giving is that unemployment contributes substantially to crime.

Mr. HALL. There is no doubt about that. I think you are exactly right, and I agree with you. There is no one at this table who wants to see unemployment continue anywhere. I don't think they do. But I just wonder sometimes if in time we are not going to have to have some way developed that is better than just doling out money.

You mentioned two instances a moment ago. I wrote it down. "You had better have heating oil for me this winter. You better have a job for me this winter." It would appear we have developed a give me mentality in all areas of the United States. Do you agree with that?

Mayor SCHAEFER. Congressman, if you will let me explain. You judge us because I can't perform well, what I didn't mean was everybody came up and said, "Mayor, you owe me, you have to put the oil in." I am talking about people such as unemployed senior citizens who have no oil.

I am talking about a person who is in a cold, single room that uses a burner because he doesn't have any oil in the house.

Now, I have talked to them. I have seen them. I have seen the bills. I have seen people that haven't had food. I have talked to them. While I may have given you a wrong impression that every-

body walks up to me and demands, because I am in the city of Baltimore, I should supply oil.

I am talking about people who need it. What I was trying to put in the proper perspective was, we have people in the city of Baltimore in need. I am not talking about this man here.

Mr. HALL. Did you have the same situation existing when you had this \$200 million at your disposal?

Mayor SCHAEFER. Yes, sir, because we couldn't divert CETA money to buying oil. What I am trying to say, Congressman, is that I didn't come down here to start criticizing the Federal Government or the Republican administration or Democratic administration.

What I have tried to come here and tell you is my perspective as a mayor. What I am trying to tell you, is that I think maybe the program is going too far. No question about it. Everyone hopes—and all politicians and whether we like it or not, we are all elected. You and I, are both elected.

We sometimes want to give people more than we should because that is a good way to get elected. I understand the game. But also you can cut back. You don't have to stop a good program. You don't have to end a good program just to prove that maybe there was too much in the program.

What I am saying, is that public service employees did work. CETA programs did work. Those programs had senior citizens working in the city of Baltimore.

Mr. HALL. When you were increasing employment, you were also having an increase in crime.

Mayor SCHAEFER. Not always. I said it was up and down.

Mr. HALL. I mean I am just not sure that what we are trying to accomplish is the way to do it. I am not here with all the answers as to how to do it, but I just don't believe that some of the inner cities I have seen in the United States; I don't believe there is enough money in the Treasury to continue to put into some of those inner cities that will ever make them operative again.

Mayor SCHAEFER. I am not as pessimistic but I have seen in my time, in the 10 years in some of the areas, I have seen them become viable neighborhoods. I refuse to give up and say every community will never make it. But I think they will if you infuse enough energy and if you infuse enough enthusiasm and enough leadership and you keep working in those communities.

There is a chance they can survive.

Mr. HALL. You are convincing. You are most convincing. I like to hear that.

Mayor SCHAEFER. I believe it.

Mr. HALL. But I believe there are some areas where there are other ways to do it other than looking for Uncle Sam to do it. That is my point. We may be saying the same thing in different ways.

Mayor SCHAEFER. Do you think I get pleasure out of coming over here and begging, in a way, for money? Wouldn't I like to be the mayor of Lewiston, who could say, "I will go pump out another oil well?"

Mr. HALL. No, you would not want to be the mayor of Lewiston. There will probably be a new one tomorrow.

Mayor SCHAEFER. When they come up and say, "I don't know how to spend the money. We have too much to spend." I have never had that luxury.

I refuse to believe that you can't bring a poor neighborhood back.

Mr. HALL. There are \$200 million or \$250 million spent in the last 10 years which should show more tangible results in the reduction of crime than you have indicated here today.

Mayor SCHAEFER. Crime isn't the only problem we have had.

Mr. HUGHES. Would the gentleman yield to me on just that point?

Mr. HALL. Yes.

Mr. HUGHES. The same statement is made several times. Let me just challenge what I think is a major fallacy. I have heard it with LEAA funding. Because crime increased, LEAA didn't work. There was an awful lot of waste in LEAA. I voted against it. The same thing happens in training programs, retraining programs and employment programs.

How do you know that if in fact we didn't have those programs that the incidence of crime would have been greater than they were? That is the fallacy of the argument.

When you say the data showed when we pump more money into training and structural unemployment the crime rate still went up, it might have gone up astronomically if we didn't have such programs in place. I think that is a fallacy is the point.

Mr. HALL. I am sure my time has just expired. I enjoyed talking with you and enjoyed listening to you. I don't know that either of us has convinced the others.

Mayor SCHAEFER. I want you to have the last word, but I am convinced of one thing: The day I give up on a neighborhood—I am not a total dreamer—the day I give up on a neighborhood is the day I should go. You can't give up. You have got to try in every neighborhood in the city and I can show you a city that has done some great things.

Mr. HALL. I agree with you to the point that I think where we differ—I am not saying we have a difference—I think the area where we may pull apart a little is that I think at some point in time, Mr. Mayor, the Federal Government is going to have to take a back seat to local and State Governments in solving these problems.

I yield back the balance of my time.

Mayor SCHAEFER. If you distribute the poor equally over the State, I would say fine. You can't confine the poor to a city like ours. You might say why do you keep using the word confine. There can be no public housing, there is no very efficient public housing in Baltimore County, because zoning laws won't allow it. There are new unemployed in the suburbs because most of them are in the city and they stay there.

If you say to me, "OK, we will disburse and let everyone have an equal share," then I will say I will not be over asking for special treatment for a city like ours. That is a world of dreams.

Mr. HALL. Do you not now have public housing in Baltimore?

Mayor SCHAEFER. Not only do we have it, we have a waiting list of 40,000.

Mr. HALL. I thought you had some zoning ordinance against it.

Mayor SCHAEFER. In Baltimore County. You see, the county is outside. In Baltimore City, we have a waiting list because we have good public housing and I mean public housing—

Mr. HALL. Baltimore County does not have?

Mayor SCHAEFER. No. Very little. They don't want it. Why would they want it?

Mr. HALL. That may be one of your problems.

Mayor SCHAEFER. I can solve the problems of the world if I have the authority, but I can't do it.

Mr. HALL. Will public opinion in Baltimore County change that?

Mayor SCHAEFER. No. If you lived in Baltimore County with a tax rate of \$3.25 against a tax rate of ours of \$6 where we have one-third of the people taxpayers, one-third pay taxes that almost equal the services they receive and one-third being tax recipients you have a tough situation.

Mr. HALL. You have got a problem.

Thank you very much.

Mr. HAWKINS. Mr. Petri.

Mr. PETRI. I just want to say one thing in opening and that is that I am fairly new here and I go over to Baltimore on weekends sometimes to your beautiful Harbor Place. I am no expert on Baltimore but over the past 15 or 20 years I have had the occasion to drive through and stop by from time to time in your city. And the change that has occurred, particularly in the last 5 or 6 years, is absolutely remarkable.

I have never heard citizens say they have a good mayor, but I did over in your town, believe it or not. I just want you to know you are getting some credit from your citizens for doing a good job, at least on the streets. I wasn't there as a congressman; I was just bumming around Harbor Place.

Mayor SCHAEFER. I would like to find that person.

Mr. PETRI. In fact, neighborhoods are being revived in your city, and the climate is quite a bit better now than it was a few years ago.

My question has to do with one thing that has been kind of in the back of my mind in connection with the phasedown of these programs we are talking about here today. If I recall correctly, many of the programs were instituted in part in reaction to riots in a number of cities. Not just the regular crime rate, but practically civil insurrection. Do you sense any possibility of that sort of thing recurring in this country, or is that just an idle possibility?

Mayor SCHAEFER. I would hope that it would not reoccur. I speak for no other city than ours. I don't see it now. I think I sort of touched on it very lightly by saying I am concerned when I see five or six unemployed young people on a corner, and that is not an unusual occurrence now.

I would like to have them doing something. I would like to be able to find a way to find employment for them. I think the people in the cities in Baltimore have been reasonable in trying to understand the Federal policy.

I don't like to talk about things that would bring about an inference that I think that could happen.

Mr. HAWKINS. Mr. Conyers.

Mr. CONYERS. I commend the chairman for this very important hearing. As you can tell, we respect your experience and views, Mayor Schaefer, and those of your associates and friends who are also with us.

Let us look at a different dimension of this problem. What in your view is the Federal policy on full employment? What is the view of the State of Maryland in terms of creating jobs for all of its citizens, and then what is the city's philosophy or policy in that regard?

How high an objective should this enjoy in your list of priorities?

In the end, we get down to some hard choices. I have been impressed with your desire not to come here to lay blame and create antagonisms or imply any partisanship. But the simple problem is that that is precisely, in the end, the kind of choices we ultimately have to make.

You are talking to a dozen Members that have to choose between a \$1.5 trillion defense buildup between now and 1985 or CETA jobs. We have to choose between a \$700 billion tax cut or giving more emphasis to employment programs, or we have to either say we are going to balance the budget and take \$37 billion out of the domestic programs, or we are not.

Now, we can be as friendly and cooperative and bipartisan and nonantagonistic as we want, but the people who make this choice for the United States of America, a number of them are sitting right in this room. So we have got to get down to these kinds of problems. We have to make that determination. What is the Full Employment and Balanced Growth Act doing besides languishing on the books? Should we revise it as our Federal employment policy or should we say it has been made a dead letter and create another one. And if we create it, what should it be?

You will get no comment out of me about CETA programs, but CETA programs are only a small part of an overall full employment objective. And how in God's name, after the kind of testimony that you have brought to this committee's attention again, can we be asked to even dare consider choosing between the school dropouts and ex-felons?

We are all in this together. And any program that asks that we sacrifice one of those at the expense of the other is a criminal program. To tell ex-cons they have to wait until kids get work is contributing to the recidivist rate, and everybody in this room knows it. And to tell young kids that they have got to wait until someone who has violated the law gets a job before them is begging the question. They are going to be in his shoes before we can turn around.

I would like you to share your views about this variety of questions that I have asked.

Mayor SCHAEFER. We have got to put in perspective the knowledge of a mayor. I don't know the full impact of international relations. I want a strong America, I want an America that isn't threatened by Russia. I want that. But on my level, all the things that you talked about in employment are very important to me. A statistic was prepared for me showing 14 percent of the Federal budget went to social programs and when the cuts came, 68 percent were cut out of the social programs. I think that is a tragedy.

I don't think you can say you want to take care of only the school kids but not the felons, but you have to look at the entire picture. That is just a long way of saying, I think I have tried to bring to your attention how unemployment relates to crime. You have much broader knowledge of the total world situation.

I would just hope that the pleas of a mayor from an area of necessity are taken into account when you make those final decisions.

Mr. CONYERS. They are taken into account, my dear brother. We decided to build up the defense \$1.5 trillion. We decided to cut \$37 billion out of the domestic programs, including every program you have complained of missing, and some more that you haven't started missing yet, because we have got to come and get those in budget years 1982, 1983, and 1984 or the defense may go over \$100 billion.

You are not a world expert, but, Mayor Schaefer, neither is anybody in the Congress. And we all have to make these decisions. Now as long as Gus Hawkins and Bill Hughes have sympathetic mayors and citizens who tell us on the one hand we have got tough, complicated choices, and tell us on the other hand that what we are doing is horrible, but you leave us to our judgment. I can tell you, sir, you are going to keep on getting what you have been receiving, which is, simply put, more cutbacks, more reductions and less programs.

If we don't get a message from you, we are going to keep believing what some are saying, that we do have a mandate, or that the President has a mandate. It doesn't exist in Detroit, which happens to be in worse shape than Baltimore. It doesn't exist in Michigan, which happens to be in worse shape than Maryland. But somebody out here in the light of their experience has to tell us what to do besides be sympathetic about the absence of jobs and how it is criminalizing our citizens.

You can't have your cake and eat it too.

The judgment I am inviting you to share with us doesn't mean that you are anti-Reagan, although it could; it doesn't mean that you are anti-Congress, although it could; it doesn't mean you are sore at your delegation, although it might—but it might not.

If you put on a scale of 1,000 all of the public shapers of policy in America, 2 dozen of them have been in this room during these hearings. We can't shuffle this thing back and forth to one another, talking about—I hope in your judgment we defend ourselves against the Soviet Union, but yet I hope you give us some more jobs, and at the same time I wish to balance the budget. You are not going to get them all. It happens to be quite patently impossible.

I want you to share what it is like making these decisions, and then I want to share with you the ultimate responsibility that everyone in the Congress has for every unemployed man, woman and child in Baltimore, Detroit, and the United States of America.

Mayor SCHAEFER. That is a big job for one mayor.

Mr. CONYERS. Well, it is a big job for one Congressman.

Mayor SCHAEFER. You know, Congressman, I hear what you are saying. What you want me to say is: OK, I don't want a defense program, but you can't balance that against the other programs. I also do have the safety of our country in mind, and that is not

trying to bug off. I do. I worry about our country. I worry about the intentions of the Russians toward us. I want a safe country. I also think that the tax cut that you had—I got \$15 more. You could have taken your \$15 and kept it.

Now, I don't mean that in any disrespectful way. If you could have put that same tax cut into job programs for the city of Baltimore and people who are unemployed, I would have a much greater appreciation. I am human, I like more money too. I don't see the money being invested, I don't see it being poured back into the communities. So the tax cut, while it was a promise that was made—I understand that—as far as I was concerned it did not make that much difference to me. But if that same amount of money could have been utilized to put back some of the CETA programs, the public service employment programs, the other programs that directly affect us in cities, in areas of necessity like ours, I would have foregone the tax cut.

Mr. CONYERS. Now there isn't one Member in Congress or even the Senate that wants us to have a weakened national security or for us to be vulnerable against the Soviet Union's growing military strength or any other power in the world. I fully respect and acknowledge your legitimate concern about that. But so do we here have that same concern and that same burden. But somebody has to examine it.

I do not happen to be an MX missile expert, but I have to vote on it. I don't know as a matter of engineering proficiency that the B-1 is or is not obsolete, and I certainly couldn't recite to you what our overall national defense strategy is. But I can't tell you that because I am not an expert, I am not in a position to make these demands. If you are legitimately worried about national defense, the next question becomes, is the \$1 to \$5 trillion buildup in 4 years really consonant with the security that you wish? I mean, it doesn't follow because we fling more money at a program—God knows, we all know better than that—that it is going to get better.

So what I am saying to you is that we are all worried about national security. Let's put that as a number one concern. But if you tell me it is OK to build up against the Soviet Union, stop telling me that we shouldn't be taking away the \$37 billion, including a diminution from CETA. If you think it is human for everybody to like to get bucks in his pocket, then you can't criticize, I don't guess, \$700 billion coming out of the U.S. Treasury, which is going to create a further shortfall on domestic programs.

In other words, sir, we are all in this together. It is not unpatriotic to want a smaller buildup.

Now, finally—and I know, Mr. Chairman, I should stop at this point but we have a question about job policies. Do you have any idea—and I want to tell you before you answer the question, I don't—what the Federal policy on full employment happens to be in the United States of America, or the State of Maryland, or the city of Baltimore?

Mayor SCHAEFER. I don't think I quite follow what you are trying to do, whether you are making a statement or whether you are trying to—what position you are trying to put me in. I don't try to beg off. I know I can be as tough and as outspoken. There is a difference, though, in trying to have what I consider a proper perspec-

tive on what you are attempting to do. You make the policies here and I follow them.

I can only come over and I can only tell you I am worried about certain things and I don't think you ought to misunderstand me when I also say I am worried about the defense of our country. I don't put one or the other ahead. There has to be a balance between the two. I don't think I am begging off by not coming forth and saying I think you have got to do this.

You have got your role to play and I have mine. I can only tell you with what programs we have we will survive. We will do the best we can. It is a long way of saying I would like to see people employed in the city of Baltimore, yes. There is no question about it. The State of Maryland—I can't speak for the Governor. The employment program of the Congress—again, it is not an attempt to beg off on what your problem is. You have it all in the books. Follow it.

Mr. CONYERS. Thank you very much.

Mr. HAWKINS. Mr. Mayor, I do think the record should indicate that over a period of several years you have testified before committees. I know that you have testified before the Subcommittee on Employment Opportunities. You were saying the same things then that you are saying today. Unfortunately, many of us did not take the advice that was given to us, but personally I think you should be proud of the fact that you are one mayor of a major city who I think pioneered in the field. I think your administration of the CETA program stands out.

I know before the Subcommittee on Employment Opportunities, the current Department of Labor indicated that yours was one of the excellent programs. I think it is most unfortunate that regardless of why it was done, that program, including the one in Baltimore, also, has been virtually eliminated without an alternative.

Given all of the criticism and accepting much of it, the fact remains that a program, however unfortunate or however mismanaged it might have been in some instances, did operate rather successfully, and certainly I think the experience you have given to us today indicates that.

As I recall your testimony, you said for every dollar expended you returned \$2.28. That is a very cost-effective program. It doesn't indicate waste or mismanagement. It shows that we were not throwing money at a program, but we were actually investing it and returning that money, according to your testimony.

You also indicated that last year 11,000 jobseekers were placed. I don't know how many you will place this year without CETA, but I doubt very seriously it will be very many. So what you have is, in 1 year 11,000 individuals seeking jobs replaced, without CETA, and depending entirely on what may happen in the job market, you will place, certainly, a very small percentage. I think that, again, indicates what you have done with an excellent program and it testifies very ably for the stewardship you have given to the people of Baltimore.

With that, we would like to thank you.

Mr. HAWKINS. The next witnesses will be the National Collaboration for Youth panel.

TESTIMONY OF STEVEN RORKE, EXECUTIVE DIRECTOR OF NATIONAL NETWORK SERVICES FOR RUNAWAY YOUTH & THEIR FAMILIES, WASHINGTON; KATHLEEN BRUHN, EXECUTIVE DIRECTOR OF BIRMINGHAM CAMPFIRE, BIRMINGHAM, ALA.; WANDA CAMMACK, 17-YEAR-OLD HIGH SCHOOL SENIOR, PARTICIPANT IN BIRMINGHAM CAMPFIRE CAREER TRAINING AND PLANNING PROGRAM, BIRMINGHAM, ALA.

Mr. RORKE. I am Steven Rorke, executive director of the National Network of Runaway Youth Services. I am here today to speak on behalf of the National Collaboration for Youth. The national network is one of 13 organizations which belong to the collaboration. The other members include American Red Cross, Big Brothers, Big Sisters of America, Boys Clubs of America, Boy Scouts of America, Campfire, Inc., the 4-H Youth Development Program, Future Homemakers of America, Girls Clubs of America, Girl Scouts of the U.S.A., the National Board of the YMCA, the National Board of the YWCA, and the United Neighborhood Centers.

Although I am not representing a city with remarkable achievements in terms of neighborhood redevelopment, I do believe that the collaboration has a viewpoint which will be useful to these committees.

We have been involved in youth employment and juvenile justice since the founding of many of the national collaboration agencies at the turn of the century. We have particularly made a contribution in the area of youth development and providing youth development services from the nonprofit sector.

Our organizations which are represented in the collaboration provide a variety of social, health, educational, and recreational services to over 3 million youth each year. We have a long and strong commitment to help one of the greatest resources in this Nation, our Nation's youth, to be able to grow and make a contribution to their greatest potential.

We have a variety of issues to present to you to back up what we have done in juvenile justice and youth employment, and hopefully provide you with useful information as you deliberate on what the future of this Federal Government will be in relation to youth employment services and juvenile justice services.

The first person to speak to you will be Wanda Cammack. Wanda is from the Campfire program in Birmingham, Ala., and was a participant in Campfire's youth employment program.

Ms. CAMMACK. Mr. Chairman and Members of the committee, my name is Wanda Cammack. I am 17, a senior in high school and I am a member of Campfire's youth employment and training program, Hire-a-Teen program. I was born in Anniston, Ala., and I lived there—it is a very small town—until my father and mother were separated. My mother couldn't find work there, and she and my brothers and sisters moved to Leeds, Ala., and there wasn't very much work there, the conditions there weren't good.

Our house, it was in a poor condition. So we moved to Birmingham, Ala., into a housing project, and the conditions around me now are very bad and there are several things that go on around me. There is crime, killing, and dope that is being showed around me. I have to be very careful living there. I cannot go out on the street at night—in the daytime, let alone at night, because it is

very dangerous and, you know, people break into your house. You can't go anywhere. You have to leave the TV on, or the television, to make people think that you are at home. That is how poor the conditions are.

You know there are a lot of kids that sell dope to the older people, and most of the kids in the project don't have a father, they only have one parent to depend on. And sometimes there are gangs from other communities who will come to my neighborhood, better known as Gate City, and, you know, there will be fights and they are not broken up by police or anything, and there has to be someone else around there to break them up, like men from the community center. And there are a lot of pregnancies, teenage girl pregnancies at the age of 13 and, you know, like I said, there is also a lot of crime.

And I think that this crime is—it comes from depression. There are a lot of kids in my neighborhood. We don't have a father, we only have a mother to depend on, and you can't go to your mother and say, "I need this or I need that," because they do not have the money for these certain things that you need. Those people that live around me have been there for a long time and, as I said before, no one walks the street. Neither me nor my family like living there, because of the conditions there; they are just terrible.

During my spare time—other kids are involved in dope, pregnancies, stealing, or something, but the way I spend my spare time is, I will come home from school, I will do my homework that needs to be done, and then I will look at TV. These things were done 1½ years ago, 2 years ago, and this is how I got involved in this hire-a-teen program, by looking at TV.

And I came into this program 1½ years ago, and when I joined I had to attend sessions, interviews on what to expect on a job, how to look when you go and apply for a job and things like that, and what has to be done on a job. And in other training sessions we learned how to get a social security card, what taxes are to be deducted, and we had other special sessions on babysitting, changing diapers, feeding and burping the baby, how to call him and how to bathe and dress the baby.

Mr. HAWKINS. Miss Cammack, I know it is a little difficult, but your testimony is very helpful to us and we would like definitely for all of the members to hear it. They are having a few difficulties in trying to do so. I don't know whether the microphone is working as well as it should, but let's see if we can't improve the situation.

You are doing very well.

Ms. CAMMACK. We got tested and everything, and, you know, there were a lot of things we learned. And we had counseling sessions where we talked about what you could do after you graduated from high school, how to relate to others and work with others. We talked about pregnancies. They told us that—you know, I am one individual. There is nobody in this world like me, and I have to, you know, make it in life, and this program has helped me a lot. We learned how important it is to make a plan because it is like a plan to get from one point to another. First you have to determine where you want to go.

I joined Hire-A-Teen and I got a job last summer. I used to wonder, I used to say "will I ever work". My mother was always

out of work. I wondered what would I do. I didn't have any plans or anything, and this job that I got last summer, through the Hire-A-Teen program, has taught me to be relied upon, to be responsible. It taught me that those kids that were there—and I had to go there to do these things, because they were dependent on me. That made me feel good.

Most important, I have learned that I could hold a job if I had the chance, and second, I could be relied upon. It was like opening a door for me and I know I can be successful in the future.

I learned how to handle a job, and what an employer expects from me, being on time and earning my pay. Working with Camp Fire's Hire-A-Teen helped me to make a plan for my future so I can get out of the housing project. I have changed my courses in school and I'm doing better. Some kids around me cheat on tests. I know better to cheat because cheating is not going to do me any good. I'm out there and I have only my mother to depend on, and I have to learn all that I can for myself.

Before I got in this program I didn't know what I was going to do. I had tried to find a job but I couldn't. When you go to look for a job, the employers usually look at your record to see what you have done in school or what references do you have, what experience do you have. Well, I didn't have any experience. In school I could not participate in cheerleading, jet-steppers and all these clubs because these things take money. This money my parents don't have to give to me to participate in these things.

So that leaves us out, not only me but thousands of other kids like me that are left out because they don't have money to do certain things. You know, when you don't have money to do something and you are left out among all the other kids, you get depressed, and depressed kids leads to crime.

So I think this program is serving a good purpose and I just think we should have this. I have learned I am good with people and I would like to be a counselor, maybe at a home or someplace where I can work with peers with problems, juvenile delinquents and other kids, people that have the same problems and are going through the same thing that I have been through. I would like to help them.

I want to go to college and I hope I can qualify for a scholarship. I am taking typing classes in school, and if there is no way that I can qualify for a scholarship, I would have to work and go to school. But, you know, where can you get a job if you have no experience? You have never worked before. The employers look back on what you have done and then they see you haven't done anything at all. There's no hope.

But I have learned through this program that there is hope for me, and I know I can do something with my life. I just hope my little brothers and sisters and other kids that are in my situation, that they will become a part of this Hire-A-Teen program so that they can make a plan for their lives and get on with their lives. I hope that all other kids will become a part of a program like this. I think it is good to have a program like this because I really think it is serving a good purpose.

Thank you.

[The statement of Ms. Cammack follows:]

TESTIMONY OF

WANDA CAMMACK, YOUTH EMPLOYMENT PARTICIPANT
BIRMINGHAM AREA COUNCIL, CAMP FIRE, INC.

BEFORE

THE EMPLOYMENT OPPORTUNITIES SUBCOMMITTEE
HOUSE EDUCATION AND LABOR COMMITTEE
CHAIRMAN AUGUST HAWKINS (D-CA)

AND

THE CRIME SUBCOMMITTEE
HOUSE JUDICIARY COMMITTEE
CHAIRMAN WILLIAM HUGHES (D-NJ)

TUESDAY, OCTOBER 27, 1981

CHAIRMEN, MEMBERS OF THE COMMITTEES, MY NAME IS WANDA CAMMACK. I AM 17, A SENIOR IN HIGH SCHOOL AND I AM A MEMBER OF CAMP FIRE'S YOUTH EMPLOYMENT AND TRAINING PROGRAM CALLED "HIRE-A-TEEN".

I WAS BORN AND LIVED IN ANNISTON, ALABAMA, A VERY SMALL TOWN, UNTIL MY FATHER AND MY MOTHER SEPARATED. MY MOTHER COULDN'T FIND WORK THERE SO SHE, MY BROTHERS AND SISTERS MOVED TO LEEDS WHEN I WAS ABOUT 10 OR 11. MY SISTER HAD A BABY JUST AFTER SHE TURNED 15 AND MY MOTHER HAD TO KEEP IT WHILE MY SISTER WENT TO SCHOOL. MY FATHER DID NOT SUPPORT US BUT MY MOTHER GOT A CHECK FROM SOMEWHERE. I HAVE 7 BROTHERS AND SISTERS. WE ONLY LIVED IN LEEDS FOR ONE YEAR, THEN MOTHER MOVED US TO BIRMINGHAM BECAUSE SHE THOUGHT WE MIGHT HAVE A BETTER OPPORTUNITY AND BECAUSE THE ROOF HAD GOTTEN A BIG HOLE. WE MOVED INTO MARKS VILLAGE, WHICH IS A HOUSING PROJECT. I'VE LIVED THERE EVER SINCE.

WE HAVE TO BE VERY CAREFUL LIVING THERE BECAUSE PEOPLE WILL STEAL ANYTHING THEY CAN. IF YOU GO OFF AND DON'T LEAVE A LIGHT ON OR SOMETHING AND THEY KNOW YOU'RE NOT THERE, THEY'LL JUST BREAK IN AND TAKE EVERYTHING AND NO ONE WILL REPORT THEM FOR YOU BECAUSE IF YOU TELL ON THEM THE THIEVES WILL COME BACK AND GET YOU. NOBODY HAS JOBS AROUND US. THEY STEAL BECAUSE THEY DON'T FEEL THAT THEY HAVE ANY CHOICE. THERE'S A LOT OF DOPE AROUND ME. KIDS SELL IT AND SO DO SOME OF THE OLDER PEOPLE. MOST OF THE KIDS IN THE PROJECT DON'T HAVE A FATHER.

SOMETIMES THE GANG FROM ROSLYN HEIGHTS COMES OVER AND GETS INTO FIGHTS WITH THE KIDS FROM GATE CITY. THIS HAPPENED THIS SUMMER UNTIL THE MEN WHO RUN THE GYM BROKE IT UP.

ONE OF MY FRIENDS IS IN THE 10TH GRADE AND HAS A BABY. HER GRANDMOTHER LIVES IN THE PROJECT, SO DOES HER MOTHER. I DON'T KNOW IF SHE'LL EVER GET OUT. I KNOW A LOT OF GIRLS WHO HAVE BABIES. THE PROBLEM IS THEIR PARENTS NEVER TOLD THEM DIFFERENTLY BECAUSE THEY PROBABLY DID THE SAME THING.

I JUST DON'T GO ANYWHERE OUTSIDE OF MY APARTMENT, ESPECIALLY AT NIGHT, BECAUSE ITS TOO DANGEROUS. I DON'T EVER WALK AROUND IN THE DAYTIME UNLESS I JUST GO TO THE STORE.

MOST OF THE PEOPLE AROUND ME HAVE BEEN THERE FOR A LONG TIME. NOBODY GOES OUT IN THE WINTERTIME, BUT IN THE SUMMERTIME YOU CAN HEAR PEOPLE TALKING ABOUT STEALING AND GETTING PREGNANT.

WE DON'T LIKE LIVING THERE AND I WANT TO GET OUT AND I'M GOING TO GET OUT AND NOW I KNOW I CAN GET OUT.

I HEARD ABOUT THE "HIRE-A-TEEN" PROGRAM ON TELEVISION. I WANTED TO BUY SOME CLOTHES. THIS WAS ABOUT A YEAR AND A HALF AGO. WHEN I JOINED I HAD TO ATTEND SESSIONS ON INTERVIEWS - HOW TO DRESS, LOOK HIM IN THE EYE, ACT LIKE YOU REALLY WANT THE JOB, BE 30 MINUTES EARLY, HOW TO WRITE A RESUME. THEY TAUGHT ME HOW TO KEEP A JOB BY COMING ON TIME; DON'T TRY TO GET OUT OF DOING SOMETHING; AND DO

WHAT HAD TO BE DONE WITHOUT SITTING DOWN.

OTHER TRAINING SESSIONS WERE ON BASIC LIFE SKILLS, HOW TO GET A SOCIAL SECURITY CARD, WHAT TAXES WOULD BE DEDUCTED. WE HAD OTHER SPECIAL SESSIONS ON BABYSITTING, CHANGING DIAPERS, FEEDING AND BURPING A BABY, HOW TO BE CALM AND HOW TO BATHE AND DRESS THE BABY.

WE GOT TESTED ON EVERYTHING WE LEARNED.

THEN WE HAD COUNSELING SESSIONS WHERE WE TALKED ABOUT WHAT YOU COULD DO AFTER HIGH SCHOOL, RELATING TO OTHERS, AND WORKING WITH OTHERS. WE TALKED ABOUT PREGNANCY. THEY TOLD US THAT I WAS THE ONLY PERSON IN THE WORLD LIKE ME, I COULD DO ANYTHING I WANTED TO, AND THAT LIFE IS WHAT I MAKE IT. WE LEARNED HOW IMPORTANT IT IS TO MAKE A PLAN BECAUSE IT'S LIKE A MAP TO HELP YOU GET FROM POINT A TO POINT B, BUT FIRST YOU HAVE TO KNOW WHERE YOU WANT TO GO.

AFTER ALL THIS I GOT A JOB LAST SUMMER AT A DAY CARE CENTER. I WORKED FROM 7:00 AM TO 3:30 PM. I FED THE BABIES, SAID GRACE, TOOK THEM OUTSIDE TO PLAY AND PUT THEM DOWN FOR NAPS. THEY DEPENDED ON ME TO BE THERE.

HAVING THIS JOB WAS IMPORTANT TO ME. I NEEDED THE MONEY. BUT I ALSO LEARNED SO MUCH.

- 1) MOST IMPORTANT - I COULD HOLD A JOB IF I HAD THE CHANCE.
- 2) I COULD BE RELIED UPON. IT WAS LIKE OPENING A DOOR FOR ME AND I KNOW I CAN BE SUCCESSFUL IN THE FUTURE.
- 3) I LEARNED HOW TO HANDLE A JOB - WHAT AN EMPLOYER WOULD EXPECT FROM ME; BEING ON TIME; EARNING MY PAY.
- 4) WORKING WITH CAMP FIRE'S "HIRE-A-TEEN" HELPED ME MAKE A PLAN FOR MY FUTURE SO I CAN GET OUT OF A HOUSING PROJECT.

I'VE CHANGED MY COURSES IN SCHOOL AND I'M DOING BETTER. SOME KIDS AROUND ME CHEAT BUT I DON'T BECAUSE I NEED TO LEARN AS MUCH AS I CAN.

BEFORE I GOT IN THIS PROGRAM I HAD NEVER THOUGHT ABOUT WHAT I WAS GOING TO DO. I HAD TRIED TO FIND A JOB BUT I NEVER COULD. WHEN YOU GO TO LOOK FOR A JOB THEY LOOK AT YOUR SCHOOL RECORD TO SEE WHAT YOU HAVE PARTICIPATED IN, LIKE CHEERLEADING, STEPPERS, OR CLUBS. BUT KIDS FROM GATE CITY CAN'T DO THOSE THINGS BECAUSE WE DON'T HAVE THE MONEY. THAT LEAVES US OUT. I JUST DIDN'T KNOW WHAT TO DO.

I LEARNED THAT I AM GOOD WITH PEOPLE. I WANT TO BE A COUNSELOR MAYBE AT A HOME OR SOMEPLACE WHERE I CAN WORK WITH KIDS WITH PROBLEMS. I'D LIKE TO HELP THEM.

I WANT TO GO TO COLLEGE AND I HOPE I CAN QUALIFY FOR A SCHOLARSHIP. BUT I'M ALSO TAKING TYPING AND LEARNING OFFICE SKILLS THIS YEAR SO THAT MAYBE I CAN WORK AND ALSO GO TO SCHOOL.

I KNOW NOW THAT I CAN DO SOMETHING WITH MY LIFE. I JUST HOPE MY LITTLE BROTHER AND OTHERS LIKE US WILL GET THE CHANCE TO BE A PART OF A PROGRAM LIKE THIS.

Mr. HAWKINS. Thank you.

Mr. Rorke, do you have another witness to present?

Mr. RORKE. Yes. I think Wanda's testimony points out the importance of our society providing opportunities for youth to be able to offer a commitment to society as they grow up. They need these opportunities in order to feel accepted by society and in order to get a sense of their own individuality and the contributions they can make.

To follow up with Wanda's testimony we have a videotape which we would like you to look at, which recounts the experiences of youth gang members in a boys club program in California who are involved in a youth employment project which involved removing graffiti from buildings around the town where they lived.

The important point about the videotape is that these kids, despite the fact they were involved with a gang program, the basic motivation for them was to make a positive contribution to society.

[Videotape presentation.]

Mr. RORKE. For the last part of our testimony we have Kathleen Bruhn, who is the executive director of the Birmingham Area Campfire Council.

Ms. BRUHN. Mr. Chairmen, members of the committees, I am Kathleen Bruhn, Birmingham executive director of Campfire. I am very appreciative for the opportunity to meet with you, not only as a representative of the National Collaboration for Youth, but also for the young people we work with day in and day out.

Birmingham is an urban, industrial city of some 282,000, facing and attempting to solve the same types of problems of Baltimore, Chicago, Detroit and other like cities. Our council operates eight different programs—remedial reading, counseling, after-school care, athletic team competitions, traditional youth clubs, career education vocational programs, youth employment programs. In the summer we run between 10 and 12 daycare sites in lower income neighborhoods in connection with the Birmingham Park and Rec Boards.

Last year we served 14,000 young people. Sixty percent were from low income families, primarily minorities. United Way funds provide between 50 and 60 percent of our budget. The rest we must generate from other sources.

All of our programs have a common goal: To help all of our young people grow up to become productive, responsible, and caring adults.

The ghettos of Birmingham are filled with children born into circumstances over which they have no control. All around them they see crime, unemployment, and the attitudes of those whose limited options breed despair, breed frustration and anger against a system they cannot penetrate.

When children are not exposed to a good role model, how do they learn about choice? A study several years ago at Holman State Prison revealed that 85 percent of the inmates had entered the justice system as juveniles, 85 percent. What is the likely outcome for a 14-year-old inner-city boy on his way to school when he is probably not doing very well, when he probably has not had any breakfast, and he looks up and he watches the neighborhood Eldorado Cadillac go by, filled with very sharp dressers? He knows that's the

local dope man, the local pimp. Everybody around him knows that. He knows most of their runners. They're his friends. They've got money in their pockets, and they know if they get caught, this guy's lawyers will get him out—or so rumor has it.

Deciding not to go that route is a very tough decision, especially if that 14-year-old boy does not have any options. And, gentlemen, we work with a lot of 14-year-old boys who have entered the justice system in just that way.

Last year we were very fortunate to receive Federal funds for our career education and youth employment program. This enabled us to have six people, people who could work with other people. We have no funds at the present time, and probably we may not get any more. We have applied to United Way in Birmingham. They are very happy with our program and they are going to do their utmost to gain extra money in the campaign this year so that they can supply us with two-and-a-half people to pick up where the six left off. And two-and-a-half we'll take; it's better than nothing.

This grant allowed us to develop a program to help high school students make some realistic decisions regarding their postschool plans. Pretests showed, and most especially in very low income areas, that they possessed only the most rudimentary knowledge necessary for employability, basic life skills. What interest did they have, what aptitudes did they have, what jobs were out there that they could apply for, and how did they get ready for it? These are questions you have to have before you can try to get a job.

The other part of this program was our youth employment program. We have 335 who participated in the actual employment program. To date, 292 have worked in unsubsidized employment. Wanda Cammack is one of our results. The job she got and kept has been very important to her. Minimum wage looks like a fortune to a family of three whose income is \$300 a month, who can only afford to burn one light bulb at a time, or to turn the heat on only in severely cold weather. The satisfaction of her paycheck was immediate, but more importantly, Wanda got a chance, a taste of success, a glimpse of self-reliance, the pride of earning her own way.

She also learned that the free enterprise system is not a free ride. Most importantly of all, this program helped Wanda develop a realistic plan to help her move out of the ghetto and into mainstream America. Wanda's participation in this program cost the Federal Government \$14.68, a very good investment. There are many Wandas out there who still have hope, who can make it with just a little help and time.

The last two decades in Birmingham have seen an unparalleled growth in the welfare dependency population, which means that more and more people will have a harder and harder time of conceptualizing a different way of life, an alternative to what they have grown accustomed to. Over and over we hear again from little girls in some of our programs, especially last summer where we played a game "what do you want to be when you grow up?" The No. 1 answer from 8 to 10 year old little girls in that area was "collect my pennies". Collecting pennies in Birmingham is collecting some kind of a welfare check.

Without some intervention in their thinking or their acceptance of this as their only lifestyle, how many Wandas will we loose, at what great a cost to America?

The unemployment rate in Birmingham on September 1, 1981, was 12.3 percent. Since that time there have been additional large layoffs. The statistics, however, are not as telling as just watching the growing numbers milling around during normal working hours. This past summer we observed almost twice the numbers of young adults, black and white, hanging around our program areas, expressionless, watching. But we could feel their anger and their frustration.

The hostility was directed at us. We represented everything they didn't have. Basically, we were working. We lost a lot of volunteers this summer, people who had always worked with us in some of our program areas. In Birmingham, in the last 9 months, we have had a 25-percent increase in crimes against people's property, purse-snatchings, and so forth, and I think the worst thing that hurts us the worst to look at is the crime statistic that says "In Birmingham, Ala. last year, of all the priority one crimes reported and those arrested for that, one-third were under 18."

We are, by the way, in Birmingham under a court order to build more prisons. The three juvenile detention centers have between 60 and 75 inmates over capacity, with a waiting list of over 150. It costs in Alabama, whether the priority is higher or they charge for the weather, \$23,000 per inmate, paid, of course, by taxes.

We as a Nation face many challenges in the coming decade, challenges further complicated by the realization that there seems to be a hole in our horn of plenty, with more going out than coming in. You, as our legislators, are charged with the awesome responsibility of not only redirecting the future economic policies of this country, but prioritizing present Government commitments. We are a volunteer agency whose programs have been functioning on the doorsteps of where it is in Birmingham for about 20 years.

Nationally, we and others like us in the National Collaboration for Youth are a resource you should not overlook. We are wheels already in place. We can match the Federal dollar with one donated. And we can stretch both with volunteers. We have a long established record of accountability, and an active volunteer board who represents our total community. We have a wealth of experience in working with youth from all walks of life. No one has to participate in any of our programs, and if we hadn't been doing something right, we really wouldn't be around today.

Programs for youth which are primarily preventive in nature have traditionally been funded last and first cut. Yet we know that an ounce of prevention today is worth a ton of cure. Preventive money is the most cost-effective money you can invest and the hardest money for us to find. Why? Because the results are rarely immediate, because I cannot prove to you that had Wanda Cammack not participated in our youth employment program, that she would have continued to be a part of the Federal drain, that she probably would have ended up on a more costly program as an adult, that costs about \$1,000 or \$2,000 instead of \$14 in order to be rehabilitated to the job market, that she would not have given up and become a part of our justice system at \$23,000, or the final go

around, that she would not have given up and just sat forever collecting her pennies.

Today in this country Americans are living longer than ever. There are more older citizens than there are young. But many of the future benefits of the elderly will be dependent upon the productivity of our young. How can we continue retirement programs like social security if we have too few to contribute? Given the difference in numbers, we cannot afford to waste any of our youth. The next 10 years are going to see remarkable changes in employment opportunities, but the day of the unskilled laborer is about gone. We as a Nation cannot fill tomorrow's commitments if we fail to prepare our youth to survive in a rapidly changing technological economy.

We need productive Wanda Cammack; we need all of our youth. They are our greatest resource. They are our future. And if left out of the planning, the legislation, the funding, your priorities, how ready will they be to meet tomorrow's challenges?

Over 100 years ago Abraham Lincoln said:

You may adopt all the policies you please, but how they will be carried out depends upon our children. They will assume control of our homes, cities, States and nations, take over our churches, schools, universities, and corporations. All of our works are going to be judged by our children. The fate of humanity is in their hands.

The Wanda Cammack of today are worth an investment, so that they can carry out the policies you set today tomorrow.

[The statement of Ms. Bruhn follows:]

TESTIMONY OF KATHLEEN BRUHN, EXECUTIVE DIRECTOR, BIRMINGHAM AREA COUNCIL, CAMP FIRE, INC.

Chairmen, Members of the Committees. I am Kathleen Bruhn, executive director of the Birmingham Area Council of Camp Fire. I am very appreciative for the opportunity to meet with you not only as a representative of the National Collaboration for Youth but also for the young people we work with day in and day out.

Birmingham is an urban, industrial city of some 282,000 facing and attempting to solve many of the same problems other similar cities must also deal with today—crime, unemployment and inflation.

Our council operates eight different programs: remedial reading, counseling, after school care, athletic team competitions, traditional youth clubs, career/vocational education and youth employment and training. In the summer we run 10-12 day care camps in connection with neighborhood recreation centers in low income areas. Last year, we served 14,000 young people, 60 percent of whom were from low income families, primarily minorities. United Way funds provide between 50-60 percent of our budget, the rest we must generate from other sources.

All of our programs have a common goal—to help our young people grow up to become productive, responsible and caring adults. The ghettos of Birmingham are filled with children born into circumstances over which they have no immediate control. All around them they see crime, unemployment and the attitudes of those whose limited options breed despair, frustration and anger against a system they have been unable to penetrate.

When children are not exposed to good role models—how do they learn about choice? A study several years ago at Holman State Prison revealed that 85 percent of the inmates had entered the Justice system as juveniles. 85 percent. What is the likely outcome for a 14 year old inner-city boy on his way to school where he's probably not doing very well and probably going without breakfast, but who watches the Eldorado Cadillac filled with sharp dressers go by. He knows that's the dope man, or the pimp. Everybody around him knows. He knows most of their runners—they're his friends; they've got money in their pockets. Rumor is that if they got caught his lawyers will get them out. Deciding not to go that route is a very tough decision—especially if that 14 year old boy can't see any other alternatives.

Last year we were fortunate to receive federal funds for our career education and youth employment programs. This grant allowed us to develop a program to help high school students make some realistic decisions regarding their post school plans. Pre tests showed—especially in very low income areas—that they possessed only the most rudimentary knowledge of employability or basic life skills, of what they'd like to do, what aptitudes they possessed, what they could do now that would increase their employment potential, and where were the jobs to be found? Post test scores showed a dramatic increase in knowledge and awareness. Some 335 participated in the actual employment program. To date, 292 have worked in an unsubsidized job.

Cammack is one of the results. The job she got and kept was very important to her. Minimum wage looks like a fortune to a family of three whose income is \$300 a month, who can only afford to burn one light bulb after dark, or to turn on the heat in severely cold weather. The satisfaction of her paycheck was immediate. More importantly—Wanda got a glimpse of an alternative life style; a taste of success; a taste of pride in earning her own way. She also learned that the free enterprise system is not a free ride. Most importantly, this program helped Wanda develop a realistic plan to move out of the ghetto into mainstream America. Wanda's participation in this program cost the federal government \$14.68, a good investment. There are many Wandas out there who still have hope, who can make it with just a little help in time.

The last two decades have seen an unparalleled growth in the welfare dependency population—which means more and more who will find it's harder and harder to conceptualize another way of life. In some of our programs we play a game called, "What Do I Want To Be When I Grow Up?". Over and over again from the little 8-10 year old girls, we hear—"Collect my pennies", which in Birmingham means some kind of welfare check. Without some intervention in their thinking, their acceptance of welfare as their only way of life—how many Wandas will we lose? What greater costs will we pay?

The unemployment rate in Birmingham September 1, 1981 was 12.3 percent. Since that time, there have been additional large lay-offs. The statistics, however, are not as telling as just watching the growing numbers milling around during normal working hours. This past summer, we observed almost twice the number of young adults—black and white—hanging around our program areas—expressionless, watching. But we could feel the anger, the frustration, the hostility directed at us—simply because we represented the system. We had what they wanted—a job. We lost a lot of volunteers who were afraid. In Birmingham, robberies to persons has increased 25 percent the first nine months of this year. Last year, one-third of all arrests for priority 1 crimes were under 18.

We are, by the way in Birmingham, under a court order to build more prisons. The three juvenile detention centers have 60-75 inmates over capacity with a waiting list of over 150. It costs, incidentally, \$23,000 per inmate, per year, paid, of course, by taxes.

We as a Nation are facing many challenges in the coming decade, challenges further complicated by the realization that there seems to be a growing hole in our Horn of Plenty, with more going out than is coming in. You, as our legislators, are charged with the awesome responsibility of not only redirecting the future economic policies of this country but prioritizing present government commitments.

We are a volunteer agency whose programs have been functioning on the doorsteps of where it is in Birmingham for some 20 years, and nationally for 73. We, and the others in the National Collaboration for Youth, are a resource you should not overlook. We are wheels already in place. We can match the federal dollar with one donated and stretch both with volunteers. We have a long established record of accountability, an active volunteer board, who represents our community. We have a wealth of experience in working with youth from all walks of life. No one has to participate in any of our programs. If we hadn't been doing something right, we simply wouldn't be around today.

Programs for youth which are primarily preventive in nature have traditionally been the last funded, the first cut. Yet we know that an ounce of prevention today is worth a ton of cure. Preventive money is the most cost effective money you can invest but the hardest money for us to find. Why? Because the results are rarely immediate. Because I cannot prove to you that had Wanda Cammack not participated in our youth employment program, not had that taste of self-reliance, or the opportunity to make a realistic plan for her future, that she would have continued to be a part of the federal drain. But I can tell you that in Birmingham, Alabama those from similar situations, after having experienced a long period of unemployment are those who have to receive training at a cost of over 1,000 dollars each; they are those who are most likely to end up incarcerated at a cost of 23,000 dollars

and a large percentage of persons with Wanda's background just continue "collecting their pennies".

Today, in this country, Americans are living ever longer lives. There are more older citizens than there are young. But many of the future benefits for the elderly will be dependent upon the productivity of the young. How can we continue retirement programs like Social Security if we have too few to contribute? Given the difference in numbers we cannot afford to waste any of our youth. The next 10 years are going to see remarkable changes in employment opportunities. But the day of unskilled labor is almost gone. We as a Nation cannot fill tomorrow's commitments if we fail to prepare our youth to survive in a rapidly changing technological economy. We need productive Wanda Cammacks. We need all of our youth. They are our greatest resource. They are our future and if left out of the planning, the legislation, the funding—how ready will they be to meet tomorrow's challenges?

Over a hundred years ago, Abraham Lincoln said: "You may adopt all of the policies you please, but how they will be carried out depends on our children. They will assume control of our homes, cities, states and nations; take over our churches, schools, universities, and corporations. All of our works are going to be judged by our children. The fate of humanity is in their hands."

Mr. HAWKINS. Thank you.

Mr. RORKE. We are grateful for the opportunity to be able to testify and present the information that we have on these issues of youth employment and juvenile justice.

We are concerned, as we look at Federal youth employment legislation, as we look at the appropriations for those programs. In 1981 there was \$900 million available; the reconciliation bill had \$576 million. We now see the House appropriation perhaps at \$400 million, and the Senate appropriation at \$200 million.

The National Collaboration for Youth believes that there is a role for the Federal Government in supporting youth employment services, a needed role. The National Collaboration for Youth contains many of the largest donors or many of the largest recipients of United Way funds in the United States. These organizations have been intimately involved in private sector funding for years, since the turn of the century. We know what the resources are there, and we know that without the Federal Government's participation in working with those resources, that the job of providing support to youth, to help them to grow into productive citizens, cannot be done.

Thank you.

[The statement of Mr. Rorke follows:]

NATIONAL COLLABORATION FOR YOUTH

An affinity group of the National Assembly of National Voluntary Health and Social Welfare Organizations, Inc.

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TESTIMONY

Stephen E. Rorke

House Education and Labor Subcommittee
on Employment Opportunities and
House Judiciary Subcommittee on Crime

Chairmen and Members of the Subcommittees:

My name is Stephen Rorke. I am the Executive Director of the National Network of Runaway and Youth Services. The National Network is one of thirteen (13) national voluntary youth organizations in the private sector comprising the National Collaboration for Youth. I am pleased to have an opportunity to speak to you, on behalf of the Collaboration, about the problems of youth unemployment and youth at risk. The other Collaboration members are: American Red Cross; Big Brothers/Big Sisters of America; Boys' Clubs of America; Boy Scouts of America; Camp Fire, Inc.; Four-H Youth Development; Future Homemakers of American, Inc.; Girls Clubs of America, Inc.; Girl Scouts of the USA; National Board of the YMCA; National Board of the YWCA; and United Neighborhood Centers of America, Inc.

The National Collaboration for Youth is an affinity group of the National Assembly of Voluntary Health and Social Welfare Organizations, a non-profit organization composed of 36 voluntary agencies.

We are particularly well-qualified to comment on the subject matter of these hearings and especially to discuss the role of private non-profit service organizations in the development of our nation's youth. Our agencies provide a variety of social,

health, educational, vocational and recreational services to more than 30 million youth a year--boys and girls, young men and young women, from rural and urban areas, from all income levels and from all ethnic, racial, religious and social backgrounds. Our agencies have a long and impressive record of success in providing services to meet the developmental needs of youth, particularly in the area of employment and in the prevention of juvenile delinquency. We have the experience of working with children and youth many of whom are poor--poor in economic resources, self image, and opportunity, and many who are alienated and disturbed, and those who get into trouble, very real trouble.

Our mutual concern over escalating delinquency and the future of young America led our organizations to form the National Collaboration for Youth in 1973. We believed then that to prevent negative behavior in our youth, this nation must redirect its resources toward positive youth development. Today, we retain that belief. A major Collaboration goal is to develop, administer and advocate programs that provide all youth with opportunities to develop their fullest potential and to enable them to participate in a democratic society. All children deserve a chance to develop to their fullest potential. Our young people's energies, creative talents and abilities must be recognized, given a chance to develop and channeled in productive and fulfilling directions. The development of youth--our nation's greatest resource--is the Collaboration's reason for being.

Central to the development of youth are programs aimed at providing long-term employability skills that will prepare young

people to enter the world of work and to attain satisfaction and success in their working lives. Skills, experience and know-how that are needed not only to qualify for a job, but to retain a job and do well in it. Employability skills that include positive work habits and interviewing and job search skills, as well as learning life management techniques and those needed to meet one's own personal and social needs are important. Programs that motivate our youth to lead full and productive lives are possibly our greatest contribution toward the reduction of crime, juvenile delinquency and unemployment.

I want to talk about our experiences working with the young people who are members of our agencies and our involvement with the issues of juvenile delinquency and youth unemployment.

As organizations with deep roots in our communities--some going back over 100 years--our members agencies work daily to meet the needs of young people and to inspire and encourage them. Some examples of our work at the local level include the following:

The Richmond member of the United Neighborhood Centers of America provides training and job experiences to unwed teenage parents. The program is designed to free these young people from a life of dependency on welfare. It is our impression that the program works to keep young people away from shoplifting and prostitution.

The East Los Angeles Branch YMCA received Department of Labor funding for a Youth Employment Readiness Program for Hispanic dropouts from 16 to 21 years old. Of the 22 youths in the program, 19 obtained regular employment, either during or immediately after the program, and the remaining 3 decided to return to school full time.

Under the direction of the National Network, Services to Runaway Youth and Their Families, the Memphis Runaway House conducts a Job Link program to enhance the employability of socially and economically disadvantaged youth and juvenile offenders between the ages of 15 and 18. A tracking system is also in place, to keep records of the successes and problems of the youth participants.

A total care project carried out by Future Homemakers of America in Alabama features job training in infant, toddler, and elderly care occupations. Peer counseling for pregnant teens and teen parents as well as job placement are important aspects of this program.

In Atlanta and Philadelphia, local YWCAs, funded through the Department of Labor and local funding agencies, assist young girls with the transition from school to work. The program includes career awareness projects for economically disadvantaged girls, stressing non-traditional job options.

Girls Clubs also stresses the importance of job exploration and employability skills in developing programs for girls at risk. Their success is demonstrated by a statement by the manager of the Maurice Ross Homes in Chattanooga, Tennessee, "A feeling of pride is essential to the development of self-worth among people. The Maurice Ross Homes Girls Club through its many outlets has improved the quality of life in this community." In addition, the rate of teenage pregnancy was reduced by an estimated 75%.

After only six months of the Youth Employment Project, funded by the Department of Labor, Big Brothers/Big Sisters is serving more than 400 teenagers in eight urban/high-crime areas. 150 have been placed in jobs, possibly as a result of over 6000 hours of service from volunteer Big Brothers/Big Sisters and from the business community. Banks, for example, are teaching young people how to establish a budget, keep check books, and dress for interviews. The business volunteers also practice with the young people to develop interview skills.

In east Saint Louis, Illinois; Wichita, Kansas; and Richmond, California, Boy Scouts are working with businesses, schools, and community centers to help unemployed and disadvantaged boys develop job skills. The programs have been so successful at helping teens get and keep jobs that the business community is helping to keep the programs going after Department of Labor funding runs out.

While many of these programs began with government funding, but continue to operate with private monies, I want to stress that they could not have existed without the leadership and funding from the Federal government. While they may continue with non-government money, it is not clear whether they can maintain the same level of effort and activity. Our programs have always represented partnership between the government and private business. If the federal government does not continue its commitment, we will lose a very important member of the partnership that made these programs possible.

Our history of experience in working with youth has convinced us that, given a chance, almost all young people can become productive, self-reliant adults. On the national scale, we believe that to reduce juvenile delinquency, drug abuse and other negative behavior, this nation must make the positive development of its youth a high priority. If the youth of our nation are equipped with skills that enable them to be an integral part of our democratic society throughout their adult lives, they will be much less likely to turn to the accessible alternatives of crime and drugs.

This approach to the problems facing our youth is echoed by many others. In 1980, the Office of Juvenile Justice and Delinquency Prevention sponsored a project designed to prevent juvenile delinquency through alternative educational programs. Funds remain available through public and non-profit agencies for programs aimed at keeping students in schools to prevent dropping out, truancy, and delinquency.

In our nation's effort to reduce crime, especially burglary, many major cities have formed special police squads to combat truancy. They have found a direct correlation between truancy and crime. Research also substantiates a relationship between truancy and youth unemployment.¹ This, too, suggests a correlation between youth unemployment and crime.

Boys' Clubs of America recently sponsored a three-year juvenile justice project funded by OJJDP. The evaluation of the project found a 31% decline in juvenile arrest rate in the nine pilot sites (all high crime areas). Eight of the nine sites included a youth employment program--and three of the nine made it a major focus of the program. A recently sponsored Four-H program in Detroit resulted in a 60% reduction in juvenile crime in the area surrounding a Four-H Center program.

These examples are based on the recognition of the positive potential of our nation's youth and maintain the premise that our youth need to live and work in an environment which is supportive of their development and of which they are an integral part. Without an opportunity to develop positive self-images they may become frustrated and angry, and may choose more negative behaviors to express their feelings.

The National Collaboration for Youth is well aware that Congress and the Administration is moving forward in designing new Federal employment and training policy. We wish to go on record supporting a policy that focuses on developing long-term employability skills for our nation's youth. With an awareness of our country's current economic situation and the direction

in which the Administration is moving to attempt to improve our economy, we recognize the role that private voluntary agencies can play in reducing youth unemployment and curbing juvenile delinquency. We acknowledge the current emphasis by the Administration on the use of volunteers and the involvement of the private sector. Collaboration agencies have always had this emphasis. To serve the youth we reach, we rely on five million volunteers from all walks of life who give their time and talents in developing and implementing programs to help young people. These volunteers are supported by 40,000 paid professionals who share their technical expertise in the area of youth development. We also have the support of several thousand concerned business and professional leaders across the country--people who serve on our local and national boards of directors and advisory committees. Men and women who actively support programs designed to help the youth of America. In addition to this significant investment of human resources, there is also considerable investment of financial resources. Funds for our programs are almost entirely raised from the private sector.

However, private resources cannot carry this responsibility alone. But with the enhancement of Federal leadership and funding, these private resources can be multiplied many times over in their effectiveness in reaching boys and girls who most need help. For example, the National Collaboration for Youth has undertaken through a contract with the Department of Labor, a major initiative aimed at developing in youth employability skills, employment and opportunities supportive services. The money we received from the De-

partment of Labor was funneled into local communities and used as seed money for raising other resources. Specifically:

- During the project approximately \$250,000 in additional funds were raised from private sources.
- An additional \$30,000 in in kind contributions was raised.
- To date over \$500,000 has been assured to the projects for their contribution.
- \$275,000 has been promised to the projects.
- Continuation proposals totalling 1.6 million are pending final action from funding sources.

So you see, Chairmen, the agencies representing the National Collaboration for Youth are dedicated to the seed money concept. We have been using volunteers and private money throughout our existence. Private money and volunteers are not new ideas to us.

Last June, the National Executives of the National Collaboration for Youth met with Secretary Donovan. In that meeting Mr. Donovan said, and I quote, "If this Administration does not do something about youth unemployment it will have failed." We pledge to help this Congress and Administration succeed in supporting our nation's youth, in reducing unemployment and crime.

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¹Program Aspects, National Criminal Justice Reference Service.

Intro to VHS tape

Another example of the ability of private nonprofit organizations such as those represented by the Collaboration, to affect youth crime by means of youth employment activities is most dramatically demonstrated by the Boys Club of San Gabriel Valley in El Monte, California. Faced with a youth gang problem which was getting out of control, the Boys Club initiated a program designed to reduce gang related crimes. What the Boys Club did was simply reach out with a positive alternative to hundreds of angry, isolated young people. Reach out with a program that actively recruited and trained gang members for jobs. As importantly, the Boys Club worked with employers and were always available should a problem arise. Since 1975, over 500 jobs were secured for gang members. Of special note, since the beginning of the program through 1980 there has been a 50% reduction in the homicide rate for the city. During the same period, the national homicide rate as well as the County of Los Angeles homicides, increased sharply. In addition, since 1977 arrests for assaults (many gang related) also declined.

The executive director of the local Boys Club, Clayton Hollopeter, points out that, "the job is not the only answer to reducing crime, but it is an essential ingredient. The job replaces the gang for the individual's support and security. The gang member becomes, for the first time, self sufficient. He can now make independent decisions whereas before the gang controlled his life." "Clearly, without a job", Hollopeter concludes, "there is no hope."

One of the businesses created by the Boys Club and run by gang members is a graffiti removal service. A graffiti hotline was installed allowing local citizens to call the Boys Club when graffiti is spotted in the community.

Mr. HAWKINS. Thank you, Mr. Rorke.

Mr. Hughes?

Mr. HUGHES. Thank you, Mr. Chairman.

I have no questions. I just want to thank the panel, Mr. Rorke and Ms. Bruhn, and particularly Wanda Cammack, for a very fine presentation. I suspect, Wanda, you're not only going to go to college, but you're going to have that scholarship. Just keep up the good work.

Thank you.

Mr. HAWKINS. Thank you.

Mr. Fish?

Mr. FISH. Thank you, Mr. Chairman.

Wanda, I hope when you get to college, you get in a good speech and drama department. You should have a future there.

[Laughter.] Mr. Rorke, in looking through your prepared testimony, I see some reference to your collaboration's support of the emphasis on volunteerism.

Mr. RORKE. Correct.

Mr. FISH. Recognizing as you did in the figures you just gave us that there will be less direct Federal participation, what do you anticipate in the way that the private sector is feeling the responsibility to take up the slack?

Mr. RORKE. I think that the ability of the private sector to be able to step in and pick up the slack of government programs which have been curtailed is limited, at best. First of all, the incentives for the private sector, private business in particular, to pick up the slack is nonexistent. The motivation is just not there. There are not compelling reasons why business should reach out and give more.

Mr. FISH. Why do you say that?

Mr. RORKE. I think in many cases private business is already doing as much as they believe they can do, and they do not see it as their mandate in this society to take care of those who are less fortunate. Rather, their mandate is to operate in the business sector of this country and to make profits.

Mr. FISH. If there, indeed, is the relationship between unemployment and crime that we have been told about today, there certainly should be no group in society more sensitive to this than the business community. Not only does crime directly affect businesses in terms of theft, but with the dimensions of violent crime reaching one out of eight households in the United States last year, it affects the employee and his or her outlook. I should think on that basis, on that analysis, they should have a strong motivation.

Moreover, the business community finally, in the tax cut this past summer, got what it has been asking for for decades. Business people I have talked to recognize this and have translated this into a far greater obligation on their part to address social issues than they ever did before.

For example, you heard the conversation between the mayor of Baltimore and this panel, when the Tax Reduction Act came up. One of the justifications for the Tax Reduction Act was that it would create 3 million more jobs than if there were no tax reduction over the period it covers.

Ms. BRUHN. We would like to have a few in Birmingham.

Mr. FISH. Well, I would hope so. We are talking about increasing investments, productivity and job creation.

I am sorry that, with your close association and affiliation with the business community—I know that you have a great many businessmen on your board of directors—you are not more optimistic.

Mr. RORKE. I think the job is bigger than any one sector of our society can tackle. I think that it requires combined efforts of the Government and the business sector together, working in partnership. In many cases the Federal money that has been provided to our programs, the National Collaboration for Youth programs, has been seed money, which has enabled us to generate private sector support. The private sector has not seen initially the worth of these programs, or has not had initially the resources available to provide seed money to get things started. The Federal Government has been able to step in, and we have been able to initiate things which have proven themselves and which have provided leadership for the local community to then step in and support those programs.

Mr. FISH. I grant you that in the atmosphere of the last few years, I do not blame the private sector. But, the administration's economic recovery program has only been in place for 26 days, and this is a long-range program. We in Congress sense very much a skepticism as to whether we mean business in the recovery program—whether we are going to keep Government spending under control or whether we are going to allow it to go unchecked, causing a very high rate of inflation and no economic recovery.

That's all I have, Mr. Chairman.

Ms. BRUHN. Mr. Fish, may I address something that you said?

Mr. FISH. Certainly.

Ms. BRUHN. I think most of the people—we get our funds from the business community, and it is going to be the extra efforts that keep a program like this alive in an area where our unemployment is very high. I hope it's going to get turned around because that's better for all of us.

But I think there is one other thing, too, about it. We are really here asking you several things. When you, as the ones who have to prioritize—so many times it is before-the-fact programs, it is the investment that you can't see an immediate return for, that it is hard to leave those in. That ounce of prevention is very, very cost effective, and it is very, very difficult to get, because a lot of the cures out here on the other side are always yelling for it—and you can't blame them; I don't blame them. But we are always going to have more cures than we can handle as a Nation, unless we are willing to take a portion of whatever money becomes available for these kinds of programs and invest it into something that can eat away eventually at all the cure-alls.

Mr. FISH. Thank you.

Mr. HAWKINS. Thank you.

Mr. Weiss?

Mr. WEISS. Thank you, Mr. Chairman. I have no questions.

Mr. HAWKINS. Mr. Jeffords?

Mr. JEFFORDS. Thank you, Mr. Chairman.

There is somewhere around an \$80 million carryforward to go along with that \$400 million, or hopefully that's the figure we will

come out with. Presuming that's the amount we have to operate in the future, do you have any ideas on how we best ought to design a new program to spend that money?

Mr. RORKE. I think the National Collaboration for Youth is in the process of working with Members of the Senate on preparing legislation, and we would be pleased to meet with your staff and to throw our efforts in your direction also.

Mr. JEFFORDS. I appreciate that very much. We are in the process of doing the same thing on the House side, so I would appreciate your efforts.

Do you have any thoughts, Miss Bruhn?

Ms. BRUHN. I would like to have a say so on how you spend it. I'll be happy to supply you with any of the records that we have.

Mr. JEFFORDS. I would appreciate any thoughts that you could give us. Thank you very much.

That's all I have, Mr. Chairman.

Mr. HAWKINS. Thank you.

Mr. Hall?

Mr. HALL. Thank you, Mr. Chairman.

Miss Bruhn, you and the other gentleman had a hard act to follow. I listened so intently to what the young lady said about that problem she has in Birmingham and the both of you combined.

When do you graduate from high school?

Ms. CAMMACK. This year.

Mr. HALL. In May of this year?

Ms. CAMMACK. Yes.

Mr. HALL. Do you already have a scholarship offer?

Ms. CAMMACK. No.

Mr. HALL. What is your major?

Ms. CAMMACK. I would like to go into counseling, social work.

Mr. HALL. Are you trying to get a scholarship in the State of Alabama, or would you go elsewhere?

Ms. CAMMACK. Anywhere that I could get one.

Mr. HALL. Are your grades good?

Ms. CAMMACK. Yes, they are.

Mr. HALL. You don't think you're going to have any problem graduating in May?

Ms. CAMMACK. No.

Mr. HALL. Would you go to Texas for a scholarship?

Ms. CAMMACK. Anywhere.

Mr. HUGHES. Even Texas. [Laughter.]

Mr. HALL. Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you, Mr. Hall.

If there are no further questions, in the sake of time the Chair would forego any questions. I would like to commend the witnesses and to say you have been very helpful to the committee. We certainly appreciate it and we will take the offer of your collaboration with the staff of the two committees on the House side. I am sure your services will be very valuable to us.

Thank you very much.

Mr. RORKE. Thank you.

Mr. HAWKINS. The final two witnesses will be a panel consisting of Mr. Mose Watkins, Director of the Job Corps Center of Clearfield, Utah, and Mr. Robert Taggart, Director, Youth Knowledge

Development Project, Washington, D.C. Mr. Taggart is the former administrator of the Office of Youth Programs, Employment and Training Administration, U.S. Department of Labor, and certainly is no stranger to the committees conducting this hearing. We are very pleased to have the two witnesses.

Mr. Watkins, suppose we hear from you first. And may I say any prepared testimony will be entered into the record in its entirety at this point and we would appreciate the witnesses summarizing to the extent possible their testimony.

Mr. Watkins, I understand you have someone with you, if you would be so kind to introduce him.

TESTIMONY OF MOSE WATKINS, DIRECTOR, JOB CORPS CENTER, CLEARFIELD, UTAH, ACCOMPANIED BY RICHARD HARMON, JOB CORPS STUDENT, CLEARFIELD, UTAH, AND STATEMENT OF ROBERT TAGGART, DIRECTOR, YOUTH KNOWLEDGE DEVELOPMENT PROJECT, WASHINGTON, D.C.

Mr. WATKINS. I have my student government officer, Mr. Richard Harmon, who is the president of student government at Clearfield.

First of all, I would like to thank you, Mr. Chairman, and the committee members, and I will kind of summarize my statement.

The Clearfield Center is operated by a private company, the Management & Training Corp., headquartered in Ogden, Utah, which operates the center under contract with the Department of Labor.

The Job Corps program is a national program serving young men and women through the ages of 16 to 21. They are young people who are in their homes at the poverty level. Before they can become a part of this particular program, they have to be a dropout of high school or unemployed. They can volunteer and come into the program for up to 2 years, and this is something that creates, I guess, a commitment of energy and time.

We feel the Jobs Corps is the cornerstone of the national program for training for youth. Throughout the 16 years of operation, the program has focused on the most disadvantaged youth, offering comprehensive services that include vocational training, basic and advanced education, shelter, good nutritious food, health care, recreation, and professional counseling. The major goal is to provide a vehicle for environmentally disadvantaged youth to become productive, wage-earning members of our American society.

The Job Corps definitely succeeds. The contributing factors for our success at Clearfield include, we feel, the following:

Our young people arrive at the Center with little confidence and self-esteem. They immediately come in contact with staff members and with other corpsmembers who skillfully reverse those misconceptions. The new students see peers with similar backgrounds to their own, who are enjoying educational and social adjustment success.

These role models are in sharp contrast to those with whom they associated with at home. Their environment is no longer filled with the apathy, indolence and violence that have consistently resulted in failure. New corpsmembers live in an atmosphere of success. They work with positive people who professionally use curricula

and equipment to impart valuable preparatory skills for the modern world of work.

There is no sight more gratifying at Clearfield than the monthly graduations that we hold, when you see a young man or young lady standing up in front of the crowd and receiving that diploma and have the graduation speakers, it continues to keep encouraging them and also when their peers come back, who have graduated in the past, and they can see that those young men and women have gone out and gotten themselves a job, or they have gone into the military. But to stand there and hand these diplomas to these young people, a young man or young lady who might not have been able to read or write or do anything, or have the confidence to do what they felt like they should be able to do in the world of work, that is one of the most gratifying scenes that I can think of in terms of being a social worker with the Job Corps program.

We feel that the program has succeeded at Clearfield because we try our best to make it more like homelike atmosphere. We have clean dormitories, shops that are clean, classrooms, everything. We also feel like a young man or young lady coming in, they are looking for certain things. So often they don't receive that at home.

What I am talking about is discipline. Most of our young people who come into the program are looking for someone to tell them what to do. They're a little bit sick and tired of telling mom and dad and everyone else what to do. They want somebody to give them some kind of guidance.

These kinds of things, lumped into the recreation and other parts of the program, is very positive, as well as sitting here and looking at the film—When you talk about gangs, our thing is everybody is someone who comes there. I think one thing you look at, our students need to be patted on the back and patted on the back a lot of times.

We feel that the program also succeeds at Clearfield because so many of our staff have committed themselves to the corpsmembers. Some of these staff members have been involved in the program for 16 years. That is a commitment that they have given to the 45,000 young men and women who have gone through Clearfield and who are now taxpayers instead of taxeaters. They are Americans who pay their bills. Their families will no longer be subject to the stigma of handout programs. Welfare has been replaced by productivity.

The program also succeeds because of the wonderful support that we get from our surrounding communities. Our Community Relations Council is made up of mayors, military base commanders, housewives, and news media. These council members assist in identifying community projects in which our corpsmembers can participate. These activities range from parades to park restoration, and allow our corpsmembers to show appreciation for community acceptance.

We also think that the program succeeds because of the leadership and the guidance that we get from our Job Corps Department of Labor staff and our regional office. These dedicated public servants also believe strongly in the program and do everything they can to assist students and staff in doing a better job.

Yes, Job Corps does succeed. We place more than 90 percent of our graduates in productive jobs or in military or advanced educational training. Deviant behavior is never cost effective, and incarceration costs are astronomical. At Job Corps we can feed, clothe, house, and train a corpsmember for about \$6,000. And remember, when they graduate and get a job, they pay that investment back in taxes and welfare savings. We show interest and we are proud of the dividends.

As I said earlier, we don't have dumb students who come through the program. We have young men and women who have, for whatever reason, have not gotten off on the right foot. One reason might be that the young man or young lady didn't have any clothes or any shoes or whatever it takes to go to school. Maybe they didn't have their breakfast, or maybe their mom or dad could not help them with their homework. There are a lot of reasons why a young man or young lady will fail, and we feel that when a young person comes into the Job Corps program, they are provided with all these particular things that they have missed in the past, such as food, shelter, the clothing and the recreation, and most of all, the counseling. Most of them need the counseling constantly.

With that, I guess I will stop and turn the time over now to my corpsmembers government president, Mr. Richard Harmon.

[The statement of Mr. Watkins follows:]

TESTIMONY OF MR. MOSE WATKINS, CENTER DIRECTOR, CLEARFIELD, UTAH JOB CORPS CENTER, BEFORE THE HOUSE OF REPRESENTATIVES, SUB-COMMITTEE ON EMPLOYMENT OPPORTUNITIES, OCTOBER 27, 1981.

My name is Mose Watkins. I am the Center Director of the Clearfield, Utah Job Corps Center and have held that position for the past seven years. Prior to that date, I held several other positions at the Center, providing me with fourteen years of Job Corps experience. The Clearfield Center is operated by a private company, the Management and Training Corporation, headquartered in Ogden, Utah, which operates the Center under contract with the Department of Labor.

The Job Corps program is a national training program, serving about 42,000 men and women, ages 16-21. To qualify, these young people must come from homes where the income is at poverty level. In addition, prospective corpsmembers must be out of school and unemployed. From these backgrounds, young people volunteer for the Job Corps program. They want to better themselves and are willing to devote as much as two years in pursuit of job skills and educational training. It is a commitment of time and energy.

Results of a study, conducted in 1980 by the Mathematica Policy Research Company, indicate that Job Corps training significantly reduces the likelihood of future arrests. Compare this to the high probability of arrest, had these same young people been denied the Job Corps experience.

The Job Corps is the cornerstone of youth employment and training programs in the nation. Throughout its sixteen years of operation, the program has focused on the most disadvantaged youth, offering comprehensive services that include vocational training, basic and advanced education, shelter, good nutritious food, health care, recreation, and professional counseling. The major goal is to provide a vehicle for environmentally disadvantaged youth to become productive, wage earning members of our American society.

Job Corps definitely succeeds. The contributing factors for our success at the Clearfield Center include the following:

1. Our young people arrive on Center with little confidence and self-esteem. They immediately come in contact with staff members and with other corpsmembers who skillfully reverse those misconceptions. The new students see peers with similar backgrounds to their own, who are enjoying educational and social adjustment success. These become role models in sharp contrast to those with whom they associated at home. Their environment is no longer filled with the apathy, indolence and violence that have consistently resulted in failure. New corpsmembers live in an atmosphere of success. They work with positive people who professionally use curricula and equipment to impart valuable preparatory skills for the modern world of work.

There is no sight more gratifying than to see the obvious pride that emanates from corpsmembers as they stand with dignity at our monthly graduation exercise, knowing that they have attained significant educational and vocational skills. Graduation speakers encourage the graduates to pursue their dreams. Many former students make return visits to the Center as evidence that dreams can become realities. These former students share the successes of their employment opportunities or their military service.

2. I feel the program succeeds at Clearfield because of the experience and dedication of the staff. Our 450 staff members join in a united commitment, and that commitment is to the corpsmembers. Students and staff help to make Clearfield a home away from home. Dormitories, classrooms, and shop training areas are attractive, clean and comfortable - appropriate environments for learning and growing. Staff enthusiasm is perpetuated by student accomplishments which explains why many staff members have been satisfied with their jobs on Center for sixteen years. They are proud to have contributed to the success of the more than 45,000 young men and women who have left Clearfield to become productive citizens. These youth have become tax-payers instead of tax-eaters. They are Americans who pay their bills. Their families will no longer be subject to the stigma of handout programs. Welfare has been replaced by productivity.

3. The program succeeds because of the wonderful support we get from the surrounding communities. We have a Community Relations Council comprised of mayors, military base commanders, police chiefs, housewives, business and union leaders, school superintendents and members of the news media. These council members assist in identifying community projects in which our corpsmembers can participate. These activities, ranging from parades to park restoration, allow our corpsmembers to show appreciation for community acceptance.

4. The program succeeds because of the leadership and business guidance of our corporation. The Center is run on a business basis with accountability expected of both students and staff. Close controls are maintained on classroom attendance, staff performance, cost and budget operation, in fact, on everything we do. We have to be accountable because we owe it to our students and because we are dealing with federal funds. Our corporation operates four Job Corps centers in addition to Clearfield: Atlanta and Albany, Georgia; Charleston, W. Virginia; and Reno, Nevada. We have never had a cost over-run at any of these operations. If there is ever a program problem at the Center, we can handle it in a business way, and we do it immediately; we don't pass the buck to somebody else.

5. I think the program succeeds because of the leadership and guidance we get from the Job Corps Department of Labor staff in our regional office at Denver. These dedicated public servants also believe strongly in the program and do everything they can to assist the students and to assist our staff in doing a better job.

Yes, Job Corps does succeed! We place more than 90% of our graduates in productive jobs or in military or advanced educational training. Deviant behavior is never cost-effective, and incarceration costs are astronomical. At Job Corps we can feed, clothe, house and train a corpsmember for about \$6,000. And remember, when they graduate and get a job, they pay that investment back in taxes and welfare savings. We show interest, and we're proud of the dividends.

Thank you for this opportunity. I would now like you to meet one of our students.

Mr. HAWKINS. Mr. Harmon.

Mr. HARMON. Hello, everybody.

My name is Richard Harmon, and I am from the Clearfield Job Corps Center. I have been there for 17 months. I am actually from Seaside, Calif., which is my home of residence. I thought I would just go into a little detail about myself and as I progressed at the center.

I started out back home when I was around 11 or 12 years of age, when family problems started causing a lot of bad situations to occur. My father was a heavy alcoholic, and it came to the point to where he and my mother had to get a divorce. He left and went to Birmingham, Ala., where my relatives are when I was about 12 years of age.

So this started to put something on me, because my mother being disabled and not able to work, I had to go out and get a job. I had to quit a lot of things I was involved with, such as sports activities and so forth. I couldn't do this anymore because now it was time to start helping out the family. So problems were also starting to occur with me and my mother getting along. It became difficult more and more each day as I started to realize I couldn't do as much of the things I wanted to do.

So I got a job as a busboy. This was the only job I could get because I lacked any other type of skill there was, so the bus work was just about all I could do. So the situation got to the point where I didn't want to come home any more because of the family problems with my mother. I started staying out until 2 or 3 o'clock in the morning, getting involved in all types of activities—smoking dope and getting involved with various gangs, messing around with guns and knives and so on.

So these activities started mainly affecting my school work. I couldn't get through school. I got in junior high and it started affecting my grades. I was starting to get low scores, low averages on my report card and so forth. I started ditching school, daydreaming in class and so forth. This became pretty bad, but I still kept my job, though.

I made it to the 10th grade and I had to drop out, because they told me the only way I could continue to get a diploma is if I was to go to summer school and night school and so forth. I couldn't do that because I had to keep bringing in the money to at least help the family.

So I quit in the 10th grade and got into a continuation school for the 11th grade, and part time doing my job. The jobs, of course, were still bus work because that's all I could find. Between the family situation and the gang activities, these started to make me feel like I just didn't care. I couldn't find anything else to do. All I could find was bus work. I didn't think I was ever going to be anything but a busboy or a person who was gang-banging the streets and stuff.

So I decided, because it was causing so much embarrassment to my family and my mother, it got to the point where she asked me to pack my bags and leave the house. I didn't have no place to go, so I tried to find a place to live and couldn't find one. So my mother through some friends had found out about Job Corps and the opportunities and so forth, so I went down and saw the recruit-

er and got signed up for Job Corps. He told me everything I was going to be involved in and I realized I had to do something, so I decided to take advantage of going to Job Corps.

Besides the point of having opposition from my friends—they didn't want me to go because they had heard different things about the Job Corps, and them not knowing at all, which is kind of hearsay, I was pretty much peer-pressured as to whether I wanted to go or not. So I decided to go.

I arrived at the center and knew I was pretty much in for a lot of surprises. I started to find out there were a lot of rules and things that I had to follow. That was pretty difficult because I had got to the point pretty much back home that I was going to do what I wanted to do and no one was going to tell me what to do.

So I talked to one of the staff, where at that point I began to feel as though I wanted to go home, and he was encouraging me to stay there. He said to go on and get through Job Corps. So I enrolled in the auto body class—you know, I liked cars in the first place and that got me pretty much interested in that trade. I went on to go through 12 months of that.

While I was going to my part-time job I was taking the GED because I wanted to get an education out of it also. So I didn't like that at all because of the fact of having to go back to school work. But it was easy because I was able to go at my own pace, my own rate of speed. You didn't have to worry about finishing assignments because the teacher wanted it done that day. So that made it pretty much easy. So I went to go take the test, and I was becoming annoyed because I saw people about 45 years of age at the most that was taking the GED test, and I felt like there was no chance I was going to make it.

So I took the test, waited about 2 weeks, and found out that I had passed the GED, which is an average of 51, and I was pretty happy about that. Now I had accomplished something. I decided I was going to go on and do more. So I finished my trade and went OJT for 6 weeks, on the job training, and got a lot more experience out of my job.

Then since Job Corps had helped me accomplish something, and made me feel good about doing something, I wanted to do more and get involved in getting a better recognition of the center and changing people's attitudes and hearsay about the center and showing them what it actually has to offer and what it's all about. So I got involved in some community relations-type work with the management at the center and I enjoyed that pretty much.

I have to thank all the people who provided me with the opportunity and making it through Job Corps with all the problems I had at home, and helping me to accomplish what I have now. So I have to thank all the staff, including Mr. Watkins here, who has helped me considerably, not just because he brought me here or he's the center director, but because he has helped me as a human being. I can go to him and talk to him like he's a father or like my best friend. I don't have to worry about talking to somebody who's got that big position and feeling bad about it. So that helped me out quite a bit, too.

I would just say I am grateful to everybody who provided that for me, to keep me from the stuff that I did back home. I don't think I

will ever have to go back to gang activities and so forth back where I live.

Mr. HAWKINS. Thank you, Mr. Harmon.

[The statement of Mr. Harmon follows:]

TESTIMONY OF MR. RICHARD HARMON, A JOB CORPS STUDENT AT THE CLEARFIELD JOB CORPS CENTER, CLEARFIELD, UTAH, BEFORE THE HOUSE OF REPRESENTATIVES SUB-COMMITTEE ON EMPLOYMENT OPPORTUNITIES, OCTOBER 27, 1981:

"My name is Richard Harmon and I am from Seaside, California. For the past 17 months, I have had the opportunity of receiving training at the Clearfield Job Corps Center, Clearfield, Utah. I have progressed at the Center to the point of being elected by all of the other students last June to the position of President of the Student Government at the Center.

Let me tell you a little about myself: I came from a depressed home. My father, who drank heavily, left home when I was 12 years old. My mother is disabled and the only income we had was a disability pension she received from the Government. This put a lot of pressure on me. I had to start work to help support the family.

I had problems at home getting along with my mother and this situation kept getting worse every day. I kept my job as a busboy because we needed the money; but, this meant I had to give up school sports that I really liked.

The situation at home got so bad that I didn't want to go home and started running the streets with some of my friends until very late at night. I became part of a gang and got into activities such as stealing, smoking pot, and playing around with guns and knives.

These activities affected my schoolwork. In grade school I did well, but things got bad in Junior High. I started daydreaming in class, ditched school, and my grades got so low that the only way I could stay in school and work at the same time was by going to continuation school. This way I barely got through the 11th grade.

The jobs I had were all dead-end jobs at minimum wage. The only work I could find was as a busboy because I didn't have the skills to anything else.

Between the family situation, the gang activities, and the dead-end jobs, I didn't care anymore. I felt bad about myself, that I couldn't do anything right.

I was causing such embarrassment to my family that my mother told me to pack my bags and leave; but, I didn't have anywhere to go. Through some friends, my mother heard about the Job Corps; so, I went to see the Recruiter.

The Job Corps Recruiter told me about the opportunities in Job Corps and I realized that maybe this was an opportunity I should take advantage of. It was very hard making the decision to go because I had never been so far away from Seaside and all my friends were there. My friends didn't want me to go and tried to talk me out of it.

I felt I had to do something and, in spite of my friends, I made a commitment to go to Job Corps, learn a trade so that I could earn more money to help my mother and myself to stay off welfare.

TESTIMONY OF MR. RICHARD HARMON -

October 27, 1981

(continuation)

-page 2-

During the bus ride and when I got to the Center, I had serious doubts if I could make it, but going home sounded even worse.

The first thing I saw when I got to the Job Corps was the Security Gate. I felt like I was going to be in for a lot of surprises. During Orientation I heard about all the rules and felt that this place was not for me. Now I know the reasons for the security and rules; but, at the time, I didn't understand and decided to go home.

One of the Staff talked me out of leaving and quitting. During the first month I was asked to choose a vocation. I chose Auto Body and Painting because I liked working with cars and heard the pay was good in that trade.

I found out Auto Body wasn't as easy as I thought it would be. We had to work on real cars so I had to learn to do it right from the beginning; but I enjoyed what I was doing.

At the same time I was learning a trade, I was also working on my G.E.D. At first it was hard because I felt like I was back in high school; but Job Corps makes it easier because you learn at your own pace. I finally passed my screening test and went to take the G.E.D. I got scared when I saw older people in the same room and felt I didn't have a chance; but, I tried anyway. After being in suspense for two weeks, I found out that I had passed my G.E.D. with an average score of 51. I felt as though I had finally accomplished one of my goals.

I went on to finish my trade in 12 months and did 6 weeks On-the-Job Training at Salt Lake County. Now I had also learned a trade and still wanted to go and do and learn more. I enrolled in para-professional training to learn more about getting along with people and being able to help others.

Job Corps had helped me to help myself so much that I wanted to spend some time helping Job Corps. I had been a part of the Student Government for 14 months. I got involved in participating in Center activities to help other Corpsmembers and improve life on Center. I, also, became involved in community relations activities to let people know what Job Corps is really all about and the good things and opportunities in Job Corps.

I am thankful to Job Corps and the Staff at Clearfield because they have provided me with an opportunity to get my G.E.D. and learn a vocation where now I can go out and start earning good money. Job Corps has also helped me learn to get along with people, gain self-respect and confidence in myself and my skills and I don't feel I have to go back to the streets and gang activities any more.

I want to thank Mr. Mose Watkins, Center Director at Clearfield Job Corps Center, and the Staff at Clearfield Center for all the assistance and encouragement they have given to me.

And, who would have thought, here am I, a poor kid from Seaside talking to member of the Congress of the United States."

Mr. HAWKINS. Mr. Taggart.

Mr. TAGGART. Thank you. I hope Congressman Hall has two scholarships in Texas, if you want two.

The last time I testified before you, Mr. Chairman, I was in an embarrassing position of being head of the Office of Youth Programs in the Carter administration and trying to defend why we had not asked for more money for youth programs after expanding them by \$1½ billion. I looked you straight in the eye and said we had accounted for all of the growth in minority youth employment and the first decline in minority youth unemployment in the last decade, that the 300,000 expansion and summer youth program slots, the 23,000 expansion in Young Adult Conservation Corps, 32,000 in entitlement, 19,000 in the community conservation and improvement projects, 150,000 in youth employment and training programs, and 22,000 more slots in Job Corps had, in fact, accounted for all of that improvement, the first improvement our Nation had seen.

You turned to me and asked me, "Well, what has the private sector done?" We had gone through the most rapid growth of jobs in our Nation's history, this being the end of 1979.

I said that netting out the government jobs, there had been no expansion whatsoever of private sector employment of minority teen-agers over the previous 2 years and that all of the growth had come from the growth of Government jobs. You then asked me why we were not asking for more, and 1 year later the administration came forward with its proposed Youth Act of 1980.

I row come before you, and we have cut the summer employment program by 350,000 slots. That's laying off 350,000 poor young people. We have eliminated the Young Adult Conservation Corps, 23,000 young people do not have year-round opportunities. We have eliminated entitlement, 38,000 youth do not now have jobs. We have cut the youth employment and training program by 100,000, and we have lost 150,000 jobs provided to young people in the public service employment program.

The result of this is not surprising. All of the progress that we made in the last 4 years is now wiped out. The minority teen-age unemployment rate has been above 50 percent and is near that level this month. These problems are very severe, and if the Government does not intervene, the problems will not get better no matter what happens to the private sector and to the growth of the economy.

We have found by very careful evaluation of our employment and training activities—we spend millions of dollars on evaluation to prove to Congress whether or not these work, how they can be approved, how we can get the best bang for the buck.

We have proved unequivocally, I think, that employment and training activities can and do yield reductions in arrest rates, and presumably in the criminal activities that led to those arrests. The impacts vary by the type of intervention and by the target group. We have found that Job Corps yields very substantial absolute and proportional reductions in arrests. It yields these reductions both during the program, which is not surprising since youth leave sometimes negative environments and go away to a positive environment in a Job Corps center, but they also yield postprogram re-

ductions in arrest rates that are very substantial. We have found that the summer youth employment program, we have now proved unequivocally that it does keep the streets quieter.

Now, a normal feeling is that every disadvantaged youth is at risk of committing crimes. That's simply not true. Only a small proportion in any 10-week summer period are going to commit crimes. But among that small proportion there is a smaller proportion still who are economically motivated. There are many crimes of vandalism and so forth that have nothing to do with economic motivations. Among those that have economic motivations, the summer employment program has been able to reduce the rates of arrest and their subsequent rates of incarceration.

We have found less positively that out-of-school work experience, year-round work experience for dropout youth, does not reduce arrest rates. Apparently when a young person is 18, 19, or 20 years old, their motivations for crime, their reasons for crime, are somewhat different. You can't hit at it or improve it by year-round employment programs.

We found also that when you employ ex-offenders, somewhat older, those who have been incarcerated, that that does not substantially reduce the arrest rates. On the other hand, we found an enormous reduction in crime when you combine work experience with drug treatment for ex-addicts, that that is a very significant component of the crime problem and that is one that you can very much address with employment and training programs.

We find, not surprisingly, that in-school transition programs don't yield much impact on crime because most of the impact that is felt against crime comes from occupying idle hours and giving constructive options and the in-school programs take place mostly during the school day.

CETA has been an enormously important treatment mechanism for offenders. Before the current retrenchment, it served one-quarter of a million individuals who were identified as offenders by the CETA system. It probably served between one-half and three-quarters of a million individuals who were offenders and had been incarcerated.

The success rates with offenders are quite good, relative to other enrollees. We have proved I think quite clearly that CETA does work, that its training and OJT activities have positive benefit-cost ratios and increased earnings.

The returns for serving offenders are only slightly below those as serving nonoffenders. This treatment is certainly worthwhile. And yet we find that in 1981 the number of offenders who will be served is one-half the number who were served in 1980, and the number that will be served in 1982 is going to be about three-fourths of what it was in 1981—hopefully.

We found that the most effective strategies for crime deterrence, if that is your major goal—not just increasing employment and earnings but reducing the rates of arrest and recidivism—are summer interventions for 14- and 15-year-olds, pretrial interventions in the form of counseling, guidance and placement for first offenders, comprehensive remedial programs such as Job Corps or the career intern program, which is an alternative education pro-

gram run by OIC's of America and proven to work by a careful study by the National Institutes of Education.

Employment and training services targeted to repeat offenders, or services immediately upon release, do not apparently have an effect on recidivism rates or post-program employment and earnings, or at least a major effect; that once someone gets involved with the corrections system, where they are incarcerated, there is very little you can do to help them.

The data to support these conclusions are presented in my testimony. I would only close by saying that there is now available a volume of evidence for anybody that's interested that proves, I think to anybody's questions and doubts, that the Job Corps is an effective investment, that society gets back more for its investment than what it puts in.

We have found the entitlement program that Mayor Schaefer spoke about, which employs youth who are in school or who stay in school and keep their grades up, it is unquestionably effective and can be afforded by this society. The total cost for all poor youth in our society would be in the neighborhood of \$2 billion.

We have found that schoolwork transition programs like Jobs for America's Graduates unquestionably have a positive benefit-cost ratio.

We found that the Career Intern Program of Alternative Education and Multiple Sites, run by community-based organizations works. The youth learn faster there; they are employed more subsequently; they graduate more often than they do in the regular schools; and it has a positive benefit-cost ratio.

We found that short-term job search assistance, 2 weeks, 4 weeks, of telling young people how to get jobs—and you have heard about just such a job search assistance program run in Birmingham does work. It increases post-program employment rates and more than covers all the costs of that program.

We have found that on-the-job training for adults and for youth has an enormously high benefit-cost ratio where it can be arranged. We found that classroom training run by CETA, even though it is very short term, has a higher rate of return than the investment in a college education.

Now, if you want this evidence and you want to look at it and make your judgments, I think there are very clear avenues as to where we can move in the future. Most of the activities that have been done under the umbrella of CETA are positive and constructive activities. We know where they fell down and where they can be improved, and I think the challenge to Congress is to move forward in these directions.

Thank you.

[The statement of Mr. Taggart follows:]

THE CRIME REDUCTION IMPACTS OF
EMPLOYMENT AND TRAINING PROGRAMS

Testimony before the Subcommittee on Crime of the House
Committee on the Judiciary and the Subcommittee on Employ-
ment Opportunities of the Committee on Education and Labor.

Robert Taggart
October 27, 1981

Employment Programs As A Deterrent

"Keeping the streets quiet" has been a primary rationale for youth employment and training programs since the hot summers of the 1960s. Under the Youth Employment and Demonstration Projects Act of 1977, comprehensive evaluations and experiments were implemented to assess the impacts of alternative interventions, including their effects on crime and arrests. The YEDPA knowledge development efforts supplemented the earlier research and demonstration activities of the Department of Labor concerning the employment problems of offenders. The measurement of crime impacts is difficult because of the small proportions of participant populations who are arrested in any time period and therefore the large sample sizes needed to assess incremental changes, plus the uncertainties of measuring criminal activities through interviews or through police, court, or corrections records. Despite these limitations, the evidence is probably as dependable and certainly more comprehensive than any which has been available to date. It supports the following conclusions:

1. Employment and training activities can and do yield reductions in arrest rates, and presumably in the criminal activities which lead to arrest, although the impacts vary by type of intervention and target group. Job Corps yields very substantial absolute and proportional reductions in arrests

and incarceration, both during and after program participation. The summer youth employment program results in a large proportional reduction in the rather low arrest probabilities of participants during the summer months. Work experience for out-of-school youth or ex-offenders does not reduce arrest rates, but work combined with drug treatment results in substantial reductions in the arrest rates of ex-addicts. In-school programs yield no changes in arrest patterns during or after participation although alternative education programs may have some positive results.

2. The impacts on crime represent very significant savings to society in criminal justice and corrections costs, yet the benefits from crime reduction alone do not justify the interventions.

3. CETA is an important treatment mechanism for offenders. Before current retrenchment, it annually served a quarter of a million individuals identified as offenders and probably at least twice this number with a corrections record. The success rates with offenders are modestly below those of other CETA participants.

4. The most effective strategies from a crime deterrence perspective are summer interventions for 14- and 15-year-olds, pre-trial intervention in the form of counseling, guidance, and placement for first offenders, comprehensive individualized remedial education and training programs for older dropouts, and work plus drug treatment for addicts. Employment and training services targeted to incarcerated offenders or immediate post-release services, do not appear to substantially reduce recidivism chances.

Employment and Training Services For Offenders

CETA and Job Corps served 250,000 identified offenders in fiscal 1980. At least an equal number of participants had previous convictions but were not identified as offenders. Among youth participants, 5 percent were recognized as offenders, as were 8 percent of adult participants.¹ Among Job Corps entrants, two-fifths have previously been arrested, and half of these have been convicted.²

Overall, these individuals are marginally less successful than other CETA clients, although the differentials are not great nor are they consistent. For youth participants, in fact, the placement rates for offenders are higher than for non-offenders since a larger proportion are out of school and available for employment. Regression analysis for fiscal 1975 CETA participants indicates that all else being equal (i.e., after regression adjustment for measurable demographic characteristics and prior labor force experience patterns) the annualized earnings gains of offenders from the fourth quarter before entry to the fourth post-termination quarter were \$280 less than for other participants. In all likelihood, similar offenders who did not participate would also have had lower earnings gains, so that the net impact of CETA on offenders, as measured relative to non-participating offenders, was probably closer to the average for all CETA participants.³

Participation of Offenders in CETA

	Number (000)	Percent of Participants	Entered Employment Rate Offenders	Entered Employment Rate All Participants
Title IIABC ⁴ (comprehensive services for adults and youth)	95	8.7	39.6	37.2
Title IID ⁴ (structural PSE)	33	6.7	30.2	31.4

Title VI ⁴ (countercyclical PSE)	24	6.0	23.2	30.7
Title IV YETP ⁴ (comprehensive youth services)	30	8.3	18.3	17.2
SYEP ⁴ (summer youth employment)	19	2.6	2.0	1.3
STIP/HIRE/PSIP ⁴ (private sector training)	7	8.0	42.3*	39.2*
Job Corps ⁴	14	19.0	53.0**	55.0**

* Entered employment rate for PSIP.

** Weeks employed for males in first six post-program months, adjusted by regression to net out all other differences.

The At-Risk Population

Despite the focus of CETA on the economically disadvantaged and despite the proportion who have been arrested previously, the likelihood of arrest during a short period equivalent to the length of treatment--averaging six months in Job Corps, less than five months in local non-CETA summer programs, and only nine weeks in the summer program--is quite small. The following arrest rates were estimated for control groups who did not receive services during the periods when like individuals were participating or in the labor market:

<u>Control Group</u>	<u>Period</u>	<u>Proportion Arrested</u>
Seniors in high school receiving school-to-work transition assistance ⁶	School-year 3 months after end of school year	1.9 percent
		1.0 percent
Summer demonstration program for high risk youth ⁷	Summer 1979	3.2 percent
Job Corps enrollees ⁸	Participants during 6 months prior to entry	14.6 percent

5

Controls during months after termination of 1977 matched entrants	
0-6 months	9.2 percent
6-12 months	7.5 percent
12-18 months	7.8 percent
18-24 months	8.1 percent

Supported work
(high quality
work experience)
for out-of-school
youth (average
age 18)⁹

Months after entry of participants	
1-9 months	16.8 percent
10-18 months	15.2 percent
19-27 months	13.6 percent
28-36 months	16.7 months

Supported work
(high quality
work experience)
for ex-addicts
(average age 28)⁹

Months after entry of participants	
1-9 months	19.5 percent
10-18 months	18.6 percent
19-27 months	18.2 percent
28-36 months	13.5 percent

Supported work
(high quality
work experience)
for ex-offenders
(average age 25)⁹

Months after entry of participants	
1-9 months	34.2 percent
10-18 months	23.2 percent
19-27 months	20.7 percent
28-36 months	22.8 percent

Given the low incidence of arrest among nonparticipants during the short periods when interventions would usually occur, and recognizing the fact that only a minority of crimes are economically motivated, or result from idleness, or could be deterred by earnings or constructive activities, the arrest impacts per participant or per participant expenditure are inherently limited even if the interventions effected a large share of the

likely beneficiaries and even if their chances of arrest were reduced commensurately.

Impacts on Arrests

The Job Corps has the greatest impact on arrest rates, followed by supported work (high quality work experience) targeted to ex-addicts and by the summer program. The Job Corps impacts continue beyond the period of participation, but decay by two years post-program. The impacts on ex-addicts appear to be lasting. The effects of the summer program are felt only in the summer months. There may be a slight effect of in-school programs during participation but these favorable impacts are offset somewhat following termination:

<u>Intervention</u>	<u>Period</u>	<u>Arrest Impacts</u>	
		<u>Change in Arrests (Arrests Per 100 of Participants Minus Arrests of Controls)</u>	<u>Percentage Change in Arrest Rates (Change in Arrests Divided by Arrest Rates of Controls)</u>
Job Corps ¹⁰	In-program	-12.4	-80%
	Post-termination	-3.0	-33
	0-6 months	-2.8	-27
	6-12 months	-1.8	-12
	18-24 months	+1.4	+5
Ex-addicts in supported work (i.e., full-time work experience) ¹¹	Months after entry:		
	1-9 (mostly in-program)	-2.5	-13
	10-18 (mostly post-program)	-5.9	-32
	19-27 (almost totally post-program)	-2.3	-13
	28-36 (totally post-program)	-5.0	-37

Summer program ¹² for high risk	Summer 1979 (10 weeks)	-1.7	-53
Total			
14-17 year-olds		-2.7	-66
Adjudicated offenders		-1.8	-26
Ex-offenders in supported work (i.e., full-time work experience) ¹³	Months after entry:		
	1-9 (mostly in- program)	-2.2	-6
	10-18 (mostly post-program)	+4.1	+17%
	19-27 (almost totally post- program)	+1.8	+9
	28-36 (totally post-program)	-8.7	-37
Out-of-school dropout youth in supported work (i.e., full-time work experience) ¹³	Months after entry:		
	1-9 (mostly in- program)	+1.3	+2
	10-18 (mostly post- program)	+1.6	+11
	19-27 (almost totally post- program)	-3.2	-23
	28-36 (totally post-program)	+6.4	+38
School-to-work transition services ¹⁴	1980-81 school year	-1.8	-30
	During 3 months in fall after school leaving 1980-1981 school year	+1.4	+35

Benefit-Cost Implications

In the case of supported work and Job Corps, the impacts on arrest rates have been translated into dollar and cents terms utilizing the best

available estimates of victimization and treatment costs. These costs are quite large. For instance, it was estimated in the Job Corps evaluation that each burglary arrest in 1977 was associated with a \$5900 criminal justice system cost plus \$2800 in property damage, personal injury, and property loss. For murder the costs per arrest were \$125,000, for robbery \$13,000, for felonious assault \$3000, for larceny \$4000, and for drug law violations \$2500.¹⁵

In the benefit-cost analysis of Job Corps, using a 5 percent discount rate and assuming a complete fadeout of the crime impacts measured during the 18-24 month post-program period by the fifth post-program year, the savings from reduced criminal activity were valued at over \$2000 per participant, representing three-tenths of the benefits of Job Corps (most of the remaining benefits were related to increased post-program earnings). The intermediate estimate of the ratio of benefits to costs for Job Corps was 1.45 under the most reasonable assumptions. If there had been no savings in reduced criminal activity, the ratio would have been 1.03 or just above the breakeven.

In the supported work experiment with high quality work experience, the estimated benefit-cost ratio was between .96 and 1.83 for the ex-addict participant group.¹⁶ The reduced criminal activities represented a third of the lower estimate of benefits and over half of the higher estimate. For the youth and ex-offender groups, there was no overall reduction in crime; in the absence of any contribution of crime reduction to benefits, the benefit-cost ratios of supported work in both cases were near the breakeven.

Finally, if it is assumed that the summer program reduced arrests by 1.7 per hundred, and if these savings are valued at the average of larceny

and burglary costs estimated in the Job Corps benefit-cost analysis, the savings would have been \$1150 per participant in 1977, or an eighth of the per participant cost. If the value of output is subtracted from cost--with the most reasonable estimate that the production of participants is worth about 70 percent of total program costs--then the crime savings offset two-fifths of the net social costs. Added to the other positive impacts of the program such as increased return-to-school rates (6.1 percent of 1979 summer participants did not return to school compared to 9.4 percent of matched nonparticipants) as well as increased part-time work among students (three months after the end of the summer 25 percent of participants were students working part-time compared to 19 percent of controls), the crime impacts probably push the benefit-cost ratio for the summer program above the breakeven point.¹⁷

Earlier Evidence

This evidence supplements the findings from earlier Department of Labor experimental and demonstration projects targeted to offenders:

o The Manhattan Court Employment Project in New York City and Project Crossroads in Washington, D.C., provided employment-oriented services, chiefly placement and counseling, to young men and women in the pre-trial stage of the criminal process, concentrating on those brought in for their first offense, with suspension of judgment depending upon successful completion. In the Manhattan Court Employment Project, there was some evidence of reduced arrests; over the 18 month post-program period, 32 percent of participants were arrested compared to 46 percent of controls.¹⁸ Project Crossroads was much more carefully evaluated.¹⁹ There was a strong effect on recidivism during the period of the project but a

rapid decline subsequently. Only 29 percent of participants were arrested during the three months of treatment compared to 50 percent of controls, but 71 percent were arrested during the following eleven months compared with only half of controls.

o The Manpower Development and Training Act funded a number of training programs in prisons. Twenty-five of these projects funded in 1968 and 1969 and serving nearly 3000 prisoners were carefully assessed to determine post-release impacts on employment and recidivism.²⁰ The services included basic education, job development, and placement assistance along with the vocational training, and the average cost per trainee was between \$1000 and \$1500. Recidivism in the six months after release was reduced less than 5 percent, and trainees were less likely to be employed six months post-program than controls. Very few worked in training-related jobs. The findings were confirmed by a DOL-funded follow-up study of prison-initiated vocational training, which also found no difference in employment rates at follow-up.²¹ On the other hand, MDTA prisoner trainees who received basic education for more than 750 hours had an employment rate of 87 percent at the follow-up compared to 79 percent for those with less than 250 hours of basic education.²²

o The hope that prisoners will be rehabilitated by work experience in prison is not supported by the meager evidence. One comprehensive follow-up in the mid-1960s found that the unemployment rate of those who had worked in unskilled maintenance in the prison was lower than for those who had worked in prison industries or clerical work. Only a fifth of prisoners subsequently moved into work which was related to prison employment.²³

o Project Development in New York State provided comprehensive post-release services including intensive vocational guidance, work orientation, counseling, training, placement, and follow-up to young ex-convicts. Completers had a recidivism rate of 15 percent in the ten months of the follow-up compared to 23 percent for controls, but the recidivism rate of all participants, including those who dropped out because they were arrested, was higher than for controls.²⁴ The post-release follow-up of MDTA prison trainees revealed that trainees who received active placement assistance were more likely to be employed in the post-program period, but this had little impact on relative recidivism rates.²⁵

Speculations From the Disparate Evidence

Even when employment and training programs are targeted to "hard-core" populations, only a minority of participants are offenders or at-risk of committing crimes (or at least getting caught) during the short period of intervention. The lack of jobs or constructive options are a factor, but not the only factor, affecting crime rates for this minority. Hence, the potential impacts of the interventions are limited to a few arrests per hundred participants. Even though the savings per arrest reduction are enormous, regular employment and training programs cannot be justified alone by their crime prevention potential, although this is a strong argument in their favor.

More targeted programs concentrating on identified offenders reach a greater at-risk population, but it appears that once an individual has served time in the corrections system, or is a repeat offender, the manpower interventions do not have a major impact on recidivism rates. The exception is where drug treatment can be offered in conjunction with employ-

ment and training services. Also, the CETA experience with adult offenders suggests a tradeoff in program success rates, i.e., identified offenders are marginally less likely to be placed and to experience earnings gains as a result of treatment. CETA activities for offenders have their greatest impacts during rather than after participation, because they do not yield net employment gains except for a small minority, only a portion of whom were likely to be arrested in the absence of treatment or deterred by improved economic status. It does not appear that interventions in prison or immediately upon release are as effective as interventions after the offenders have returned to the community.

Early intervention is the most promising strategy. The summer program reduces arrests among 14- and 17-year-olds, but full-time work experience for 19-20 year-olds in supported work apparently has no effect. On the other hand, the complete remediation approach of Job Corps yields immediate and longer-term payoffs. The crime reduction impacts of Job Corps and the summer program contribute substantially to favorable benefit-cost ratios. In other words, scarce resources should probably be used for more summer employment and training for young teenagers, more comprehensive treatments for older out-of-school youth, less "aging vat" work experience for older dropouts, but, where offered, a focus on drug treatment combined with the work experience.

NOTES

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Mr. HAWKINS. Thank you, Mr. Taggart.

Mr. Taggart, I think we appreciate your testimony because of your experience in this field. The problem, it seems to me, is almost unbelievable that in the past 20 years we have gone through an evolution in manpower programs. I know personally I have had some experience in the early MDTA program, the public employment program, in the establishment of CETA, and then in meeting the criticism in that particular program we made many drastic changes to meet the criticism up until the time of 1978 amendments when we had I think reduced a lot of the problems with some of the earlier programs.

The thing it seems to me is that we were evolving in this country a manpower policy that had gone through all of these evolutionary changes and we had reached a point where we at least had something that we could deal with in terms of making some changes in the program. None of us were completely satisfied with even the CETA program in 1978, but at least we had a program that we could deal with.

But now we seem to be cut adrift, in which we don't have anything to deal with. We have in a sense washed out all the experience that we have gained in trying to evolve in this country a manpower program, only to be left without what seems to be any program at all. Now we are faced with the problem of what do we do now, and Mr. Jeffords and I, among others, and Mr. Weiss, on the subcommittee—at least our subcommittee, Mr. Hughes—are facing the future with now trying to get some sort of a program to save it.

I don't know whether the Job Corps is going to be immune from budget cuts. I have grave doubts that any program is exempt. I have said that I would think in a year or two, if we continue the approach that budget cuts is the only answer, that the Job Corps is not that immune any more than social security or any other program.

What do we do now? The charge has been made that we have thrown this money at all of these programs and crime has escalated, as if this is the cause of the crime escalation. No one says that 20 percent interest rates have anything to do with the problem, but these programs are somehow the cause and we have got to abolish them.

You have indicated that there are reports that have been given, that have been authorized by the Congress, to evaluate the programs, but nobody looks at the evaluation. They vote against CETA without the evaluation.

The charge has been made that the placement rate is not good. Well, you know, comparing the placement rate of CETA with what we have now in terms of people being placed without CETA, CETA was three times more effective in placing people in the private sector than the number being placed now. And yet we abolish the program.

I suppose what I am asking you is, where do we start now to begin to repair what damage is being done, and do we return to CETA or do we attempt to establish something entirely new, or do we leave it completely to the private sector? What do you suggest as the next step, at least in the manpower field, as it relates to developing problems and crime being only one of those problems?

Mr. TAGGART. I'm glad you asked. I have a——

Mr. HAWKINS. That's a long essay, I suppose.

Mr. TAGGART. I have a 400-page book coming out next Sunday which says what to do with CETA. What I have tried to do is go through all the evidence and say everything from management information systems up to organizational structures and OJT rules and so forth, exactly what you can do from A to Z. I have tried to take all of that literature and translate it into terms that you all can use and also to push forward with terminology and concepts which are much more acceptable to the present administration.

There is no question we are going to have to move more in the direction of training than we have in the past. There is no question that we are going to have to change our on-the-job training rules to get more of our Job Corps students and CETA participants at the local level into the private sector. The only way to do that is payroll those participants from CETA as trainees for a period of time while private employers get a chance to look them over.

This is what happened in entitlement in Baltimore, and in Baltimore City alone there are more youth under the entitlement program and OJT than there were in the rest of the Nation. So you have to change how you do your business. You have got to move toward a stable system and not change it around every year.

You hear over and over again how the private sector can do the job better. The private sector can't do that job better, where every year the appropriations for CETA have gone up and down, their mandates have changed, they have been emphasizing PSE one year, youth the next year, PSIP the next year. There is no way that system can be managed. The responsibility for that is on Congress. You know that, and most of the folks in this group know that, but how do you convince the rest of Congress that that's the case. You have to have a long-term investment in training and human resource development.

I always thought I was a supply side economist. I always thought that the way you meet the needs of the future is investing in today. I thought that what we learned from the past about our policies in energy was that you need stable, long-term investments in the future. I think that supply side economists should be able to agree with the employment and training notions if we shift towards the training focus, and I believe there is generally a movement in the directions among the employment and training community toward a consensus policy, and I don't think we're as far from it as it appears right now if we can hold the line on the budget for 1 year while we can work out our differences.

Mr. HAWKINS. Would it be funded by the private sector or will it be funded by Federal funds?

Mr. TAGGART. Absolutely not. The way to go about it, very clearly, is to put an employer tax, and employee tax, and have everyone have a voucher that they can use like the GI bill and can invest in their own training wherever they think they can find it best. That is the route to go 10 years from now or 15 years from now, when we have a shortage of entry workers. We don't have that shortage now. The economy can't take a tax on employers at this point.

The private sector is not going to come up with more money than it did in the past. All the projections of private giving indicate that this will not be the case.

Private individuals can't contribute. In fact, if you read the last issue of Business Week, they were counseling all the rich to give now, this year, because they can get higher tax writeoffs than they can next year. They expressed ways they can put it into trust and drawdown and get more tax credits for their giving. We are not going to have corporate giving and we're not going to have private sector giving enough to make up for multibillions of dollars.

As we already heard, this program in Alabama and the program with private sector-oriented groups, like the Boy Scouts, Girl Scouts, Campfire Girls, came about because the Federal Government put up seed money and maintained some of the support. Then voluntarism could come in, and then they could secure private sector investments. These things will simply not occur. I think the proof is in the pudding. When we had the fastest employment growth in our Nation's history, between 1977 and the end of 1979, enormous employment growth, the rate of employment in the private sector of minority teenagers hardly increased at all. So even if we have enormous employment growth in the private sector as a result of this administration's policies—which I certainly hope for but don't expect—it will have very little effect on minority teenage employment and certainly no effect on their training capacity, their human resource endowments, which we simply have to do something about. Because 10 years down the road we are going to need the young people of today, much more than we have in the past. They are going to be a scarce resource.

Mr. HAWKINS. I won't pursue it, but I do hope that you will lend your services to us—maybe lend is not the right word—but will provide some assistance to us as we move ahead in trying to carve out some new programs that may be a viable alternative.

Mr. TAGGART. I think what I was saying was that you had good programs from before, and if you can pick the good parts of those programs, you are all set. If someone would read the evidence and look at it, the points you have been pressing for years are absolutely true and those programs are effective.

Mr. HAWKINS. Thank you.

Mr. Hughes.

Mr. HUGHES. Thank you.

Mr. Taggart, I would like to follow up briefly on one point that you made, in regards to the tremendous growth between 1977 and 1979, and that there was a lag in the private sector in picking up any of the minority youth or other youth.

Were you able to determine whether that was because of the inadequate training, or was it because of other incentives or disincentives that industry might have had in steering away from minority youth?

Mr. TAGGART. First of all, a lot of the job growth was not where the young minority teenagers were located. That is very clearly the first cause. The second cause is, very clearly, discrimination. But beyond that, when you survey employers and ask them what are their reasons, the reasons they give are, first, not the subminimum wage, and where the subminimum wage would affect employment

is not among what we call private sector employers as in casual industries, as best we can tell, so it wasn't the subminimum wage increases that probably stopped them—

Mr. HUGHES. Basically a lack of skills?

Mr. TAGGART. More often they say they don't have a sixth grade reading and writing ability and they will not show up on the job. Over and over, they say those two things.

The type of programs we have heard about, Job Corps very clearly changes attitudes and awarenesses and maturity. Even though it offers skill training, its major effect is that those young people go out and are more mature. I think we got an example of somebody who is different from when they went in, and they are going to act different when they get to the employer's door. So they need that maturation motivation.

It is not so much skills because the employers, the private employers do not want vocational training so much. They will do their own vocational training if you can provide them someone who has basic reading and writing abilities.

In Job Corps, one of the things that wasn't mentioned—Mose is the Marion Pines in Job Corps, and Clearfield is the Baltimore of the Job Corps system. At Clearfield we have a computer-assisted instruction system which—I have the test results—and the youth are gaining 2 ½ years of reading and math skills in 90 hours of instructions. They are going from paper and pencil materials to computers. The OIC career intern program had learning gains twice what the same youth had in the regular schools.

We can teach almost anybody to read and write up to the level that employers require.

Mr. HUGHES. But as to the factor of the built-in bias, the bias against young people and the feeling that perhaps they just can't handle the problems and that employers would rather have somebody more experienced, how much of a factor is that?

Mr. TAGGART. Well, employment growth over the last decade for youth, the employment growth was much faster; the economy just couldn't absorb the baby bulge. The minority teenage problem and poverty problem is really the key issue we're getting at, and they're at the end of the labor queue. So as long as there is this post-war baby bulge of upper middle-class young people, they would hire them first. And as long as there are women coming into the labor force in droves at the entry level, then they would hire them first. As long as we had an open-door policy towards other nations and we have large numbers of illegal immigrants, then they would hire them first, also. So the minority teenagers were at the bottom of the queue and they just weren't absorbed.

So I don't think that anything we would have done would have made a big difference relative to the private sector, except investments in human resources, and even those were swimming upstream at that point in time. Five years from now those same programs will have even a greater payoff.

Mr. HUGHES. Richard, how old are you right now?

Mr. HARMON. Eighteen.

Mr. HUGHES. And how old were you when you left home?

Mr. HARMON. When I came in the Job Corps?

Mr. HUGHES. Yes.

Mr. HARMON. Seventeen.

Mr. HUGHES. You said you started working as a busboy when you were 11?

Mr. HARMON. Twelve.

Mr. HUGHES. So you were a member of the gangs from about 12 through 17?

Mr. HARMON. I have been in different types of gangs, but, you know, the main problem started occurring just before I came to Job Corps.

Mr. HUGHES. What attracted you to the gang, the first gang you joined?

Mr. HARMON. What do you mean, in high school—

Mr. HUGHES. What was the name of the gang?

Mr. HARMON. The Seaside Hoods.

Mr. HUGHES. What attracted you to that particular group?

Mr. HARMON. Well, most of that group was pretty much older than I was, and they knew how to go about getting money without getting caught. So I pretty much got involved in that because I liked the idea of never having to worry about actually getting picked up by the police and still obtaining money.

Mr. HUGHES. Why did the other members of the gang feel compelled to join the gang? What was your sense of the reason they joined?

Mr. HARMON. Some because I would say they didn't have anything else to do but hang on the streets and get involved in gangs; some because—I'll be honest with you. Some got a kick out of doing things like shooting people or stealing and getting involved in gang activities, cutting somebody up. Some just enjoyed it, you know, and got a big thrill out of it. They made a name for themselves.

Mr. HUGHES. Did they all have families?

Mr. HARMON. Most of them, yes. Some didn't. Some were orphans and had been orphans, in foster homes and so forth.

Mr. HUGHES. Was there much home life on the part of any members of the gang? You indicated there were problems in your household with your father—

Mr. HARMON. Yes.

Mr. HUGHES. —your father left and your mother was apparently handicapped. How about the other members of the gang? Did they have problems at home?

Mr. HARMON. Oh, yes. Some didn't even—I thought I was still fortunate enough to have a mother. Some didn't have a mother or father.

I know of a couple of families that got blown away because of gang activity, where the gang had come to the house looking for the individual and as a result the family was there and they lost their lives because of him being involved in the gang.

Mr. HUGHES. There came a time when you apparently felt you wanted to move on to something else. What was it? Was there anything in particular that made you decide that you didn't want to be in the gang anymore?

Mr. HARMON. One of the reasons was to help out the family, because of the financial situation. But I had realized through some friends that weren't involved in the gang to try and help me to stay away from that, I realized that wasn't going to lead me to no-

where but to sitting inside prison for the rest of my life. So I decided I had to do something.

Mr. HUGHES. So it was more out of a sense of responsibility to your mother, in particular?

Mr. HARMON. That, too, but then again, getting away from all the family problems that I had at home. I had to go do something because the problems were getting too much.

Mr. HUGHES. Richard, you are to be commended. Like Wanda, you are a good example of why we should continue programs like the Job Corps and why I disagree so vehemently with the Attorney General, William French Smith, when he suggests that he is about to give up on crime prevention. That's the essence of what he said. Whether we're talking about job programs or drug detoxification or alcohol detoxification, they are all programs to help people to have productive lives.

Mr. HARMON. I will tell you right now, to be honest about it, if I didn't have the Job Corps, I would still be out there doing the things that I did. If these opportunities weren't there for me, I wouldn't have nowhere else to go. If I was in Washington, D.C. with the same type of situation, I would probably be up at some of your houses or watching you from across the street so I could snatch your pocket or hold you up. That's the way I was back then.

So I am saying, when you have an opportunity like this to better yourself, to change from the activities that you did back home, I think that is more than anything.

Mr. HUGHES. Somewhere along the line you picked up the ability to be very articulate, too, so keep up the good work.

Thank you, Mr. Chairman.

Mr. HAWKINS. Thank you.

Mr. Jeffords?

Mr. JEFFORDS. Thank you.

First of all, it is good to see you again, Bob, and I look forward to reading your book. You noted the pluses of the administration, and I would also just have to point out a negative, and that is that one of the main reasons, if not the main reason, why we lost a lot of the funding due to the bad image that CETA had, not the youth programs, but the program in general. I have found in Congress that when you talk about CETA they think only in terms of that part which at least created the problems in public service employment and don't even know that the youth program came under that term. So I think the administration has to take some responsibility.

I think the most important thing is that we not talk politics or blame. We have to face the reality of the situation and see what we can do, at least for the next 3 years. There are some that would just like to say "well, let's wait 3 years and get a new administration and we'll take care of these things." I can't do that. I have to think about the young people that would be lost in that period and I am sure you would agree with that.

I would like to also point out that I am concerned about costs here. If we had a Job Corps and everybody participated who is young and unemployed, we would be talking about a \$40 to \$50 billion expenditure. If you talk about in terms of the entitlement program, you are talking somewhere \$15 to 20 billion, if you gave ev-

erybody that opportunity. Right now we have left for youth somewhere in the area of \$2 billion, if you include the Job Corps, the title IV-A programs the summer youth program and the title II programs.

So you mentioned that with \$2 billion you could solve the problem. That leaves me a little bit confused. I am going to be really anxious to read the book, if we can solve all those problems for \$2 billion. I wonder if you would give me just a little hint as to how, with \$2 billion, you could solve the problem.

Mr. TAGGART. The estimate from entitlement based upon the participation rates of young people in need in Baltimore and the 16 other entitlement sites, the projections were that the cost would be \$2 billion if you paid the minimum wage, that all poor students who wanted a job, or those dropouts who were willing to return to school and stay in school, could have been financed for \$2 billion. It is my personal recommendation that you don't pay the the minimum wage.

Mr. JEFFORDS. What numbers are we talking about there? We have somewhere around 4 million unemployed young people, and the per cost is somewhere around \$4,000 in that program; is that about right?

Mr. TAGGART. It was less than that. The question is whether you say per person-year or not. All youth do not want to participate year round, that is, in summer and school years.

Mr. JEFFORDS. My point is that we don't want to give people the feeling that by that kind of expenditure of money we're going to solve the youth unemployment problem. We can give an opportunity to a significant number of young people, but that certainly doesn't answer the problem any more than the Job Corps does.

Mr. TAGGART. Well, it answers in the sense if you say that anybody who wants a job, is willing to stay in school and return to school, and is willing to take the wage that you pay, can have a job, then I would say we have gone a substantial step of eliminating unemployment. There may be some people who say they can't find a job after that, and I would say here's where you can get one. So I think that the \$2 billion was definitely deposited on the program levels that existed at the time we had the entitlement program, so I guess we have to get back to where we were in youth activities for the \$2 billion to hold. But it was \$2 billion on top of that which was the ball park of the Youth Employment Act, the Youth Act of 1980. That's the budget levels we were projecting for that activity.

I would also say there are many areas of possible economy within your youth employment and training programs. Basically, we have found that youth out-of-school work experience is not a very positive investment, that it doesn't increase employment and earnings and it doesn't reduce crime, that we spent a lot of bucks on that type of activity. It is much better to wait until they make up their minds that they want to go to Job Corps or a program like that. I don't think the Job Corps needs to be enormously expanded. When you look at the universal need for it, I think a 50,000 program is now 40,000 is reasonable for the long term.

I think we can cut down the summer program costs by nonstipend training that goes along with the work experience. You find that 69 percent of the 14- to 15-year-olds who have jobs earn less

than the minimum wage, and yet we pay these same 14- and 15-year-olds the minimum wage in the summer program. I think we should make the summer program less attractive in a sense, or also make it a training program and not just a work program. That doesn't mean you pay less than the minimum wage for the hours they work, but for the hours of participation it averages out to less than the minimum wage. So you could reduce the cost of that program somewhat.

I think that the job-search-assistance option, that 2 to 4 weeks of taking a young person who is just looking for a job and helping them get that job, is a very low-cost service. You heard a unit cost here in this program, which is a job search assistance, of \$14 per client. There is a lot of that that could be done and needs to be done, and to do that you need to involve the Boy Scouts, Girl Scouts, Campfire Girls, which CETA has not traditionally done.

Now, all they need is to be told to do that and they'll do it, because CETA is State and local governments, and State and local governments respond to reasonable guidance. So I think we keep focusing on issues like how we are going to divide the pie between the State and local units of government, how we are going to change the name, how we're going to do this and that type of thing, when what we should be focusing on are these components and how we can get the right components in the service mix, and if we have to economize, how we can get the cheapest, most cost effective ones.

Mr. JEFFORDS. That's what my next point was going to be, and I think that is what we have got to do immediately. We have got to come out with legislation next year which can analyze the components that are necessary and the people we have to serve and figure out how we can best spend that money to maximize the utility of the funds. I know you will assist us in developing such legislation. I don't need to ask that, and I look forward to working with you and a number of others, along with the chairman, in trying to find some answers. Realistically, as much as I hate to admit it, the expectation of the larger sums of money in this particular area are not forthcoming. It's a dreamworld, with the budget cuts we have to anticipate, twice as much maybe as we had this year, even to maintain the present program levels will be almost an insurmountable task. I am hoping at least we can accomplish that and then figure out how we can do it.

I would also say to you as I said to Mayor Shaefer, that I am very disappointed in the very little shouting or clamoring that we have heard from anybody about the decimation of youth programs.

Mr. TAGGART. I would like to add to that—I know this is a non-partisan audience, but one of the problems is not just budget levels. We always focus on budget levels. It is the way the program is now being managed. No one is speaking to that. I think we have invested an enormous sum of money in research and evaluation. Research and evaluation is always shaky, but there is a lot of truth in there. We know pretty much what works. But that is not being applied. All that is being cut off. There is not an attempt to improve the quality of the programs, whatever dollars we have right now. All the concern is to cut off funds. You cut off funds by not allocating at the proper time, leaving projects up to the last minute so

they don't know whether they are getting funds. Everything is being done by this administration—and by this administration I mean the Department of Labor—to ruin programs, to justify cut-backs in funding, and what I think they should be aiming at is to improve the efficiency of whatever funds they have. That is the principle by which they came to office.

I don't think they're doing that. I don't think we set any record—we were not barn burners in the management of public programs during the Carter administration, but I don't think our record stands up negatively compared to this administration. So my concern is not just with the Hill, because I think you have taken a very wise approach in trying to listen to everybody's point of view, and find out what works as best you can. I don't think the Department of Labor has done that.

Mr. JEFFORDS. Thank you. My time is up and I have to leave also, but I would appreciate specifics on the latter points.

Thank you.

Mr. HAWKINS. Thank you.

Mr. Weiss?

Mr. WEISS. Thank you very much, Mr. Chairman.

You indicated, Richard, that when you first got to Clearfield that you were ready to leave, that you really didn't like the rules, and regulations, and so on. I gather you were not alone in that.

What percentage of the youngsters who come in actually leave before the program is completed and at what stage do they usually leave?

Mr. WATKINS. I think that all depends. A young man or young lady might come in and leave the first day, or they might come in and find out that the rules and regulations that we have are for the good of the program and they end up staying 2 years. So it is a very small amount that will leave after the rules and regulations have been explained to them. That's the main thing.

Mr. TAGGART. Nationwide, 40 percent drop out before 90 days, and then 30 percent stay for at least 1 year, and then 30 percent stay beyond 1 year. This is not dissimilar to college, where large numbers drop out in their early months.

Mr. WEISS. Bob, I am not sure if I heard you correctly. You said you thought that we, meaning the administration, and your thinking and people out in the field are not all that far apart, and that it will take about 1 year or so for everybody to agree on where to go and then we will start moving. I am not sure I got that from the followup discussion you engaged in.

I was wondering, are you really that optimistic and why?

Mr. TAGGART. Because I don't think that the Department of Labor is actually in good faith exercising the policies of the administration. The administration came to office arguing for efficiency, and I am saying there are some folks who think that efficiency comes by delaying funding and confusing the situation, not paying attention to what works best for whom. I don't think that is consistent with what the administration wants.

When they go to design policies, I think that most folks are thinking in the same direction, and that is Mayor Schaefer, for instance, who is a strong advocate of work experience and public service employment, himself said that we perhaps went overboard.

We tried to jam a little too much of that in, so we have to deemphasize that approach somewhat. The question is how much do you deemphasize it and how do you fit it in.

Baltimore has gone in the direction of great increases of on-the-job training in the private sector. It is, in fact, now in a leadership position. And I think that is the direction that CETA is going to go, and both the vocational education community and the thinkers in the CETA community, I think, generally agree with that approach. Intensive investments in smaller numbers of individuals is something that we are going to have to do, and have at the base of our system lot cheaper services for a larger number that feeds into the intensive investments. I think there is agreement that that's a direction that we'll move.

What needs to be done with the State and local government system I don't think is as large as it now seems to loom to Congressmen. They have to decide and sort of think about it, but the end compromise is not going to look that dissimilar to CETA. It's going to have a different name, but money is going to pass through States to local governments and they may contract with the private sector at that point. I don't think that is going to change a lot.

So when I say I look to seeing people come together, with my own point of view, which is narrow, I seem to be able to sit down and talk to the Conference of Mayors, or the NGA, or community-based organizations and all of them are speaking pretty much the same language. I think we are now over saying that CETA does not work and that CETA is scandal prone and that we should necessarily have that as the revenue for fighting recession and achieving full employment.

Now, one of the things I am proposing, too, is that there is another way to do countercyclical job creation other than running it through your CETA type of system. For instance, if I could do on-the-job training in the public sector and I could have countercyclical revenue sharing, that would have the same effect without putting all the burden on our programs for the hard to employ, all the burden of the job creation. It would just be units of government employing individuals, and then they would have incentives to hire from the end of the labor queue. These types of ideas are ones that I think, if we get over our rhetorical problems, everybody can agree to.

Mr. WEISS. That's on the outside, right?

Mr. TAGGART. Well, within the administration. I don't think it is fair to say—my view is that the thinking about what will be done with employment and training policy is not coming from the Department of Labor, as what thinking there is, is coming from very few individuals in the White House, but mostly from the Hill. And that the pressure for that will come from outside interests finally speaking up at your prodding and reaching agreement.

So I don't look for leadership from the Department of Labor whatsoever, and I think they're in a cutback mode and that's all they think about, how to save a penny. That seems to occupy their full time, that and the RIF of 500 or 800 employees will also somewhat affect the Employment and Training Administration.

Mr. WEISS. Well, I sense the same thing, and that's why I was

trying to get some clarification as to why, in the face of all that, you maintained your sense of optimism about the situation.

Mr. TAGGART. I guess I'm like Mayor Schaefer. If I didn't believe that we, as reasonable persons, could look at the evidence and make reasoned judgments and listen to individuals such as we have today that are in the programs, and can't move forward and reach consensus, I think I would give up. I have got to leave this field if I can't hope we can reach consensus on it. I think most individuals who have maintained their interest are of the same thinking.

Mr. HAWKINS. If you would yield, who is going to do the training? Your optimism certainly is very wholesome, but under the administration's program—and you yourself view it as an abandonment altogether of any responsibility, which I think is true. You also indicate that on-the-job training is the wave of the future.

But who is going to do it? Is the private sector going to do it? What type of delivery system will we have? Certainly we can't anticipate that money is going to be flowing from the Federal Government to the private sector through the conventional system because the administration opposes it.

Mr. TAGGART. I think when everything washes out that you will see a system at the \$3 billion level which is just a rationalized CETA system with a different name, passing money through States to local units of government. There will be more contracting with the private sector for the delivery and management of services at the local level, but that will be a choice of State and local units of government. And I think we will have consolidation of different activities, including WIN, and employment service activities, and CETA activities, and perhaps even the vocational education contribution, and I don't think that is negative if you have clear policy guidance. If you can hold the line on the funding now and achieve those changes, then 2 years from now we can start building those activities back up.

I don't think we have any other choice, and I don't know that the administration can keep turning its back if we have an 8-percent unemployment rate.

Mr. HAWKINS. That's just a bobtail CETA under some other name.

Mr. TAGGART. CETA worked. All the evidence says it works, and anybody—

Mr. HAWKINS. We know it worked. We believe that, but we're in the minority.

Mr. WEISS. He is saying not for long.

Mr. TAGGART. And not on the House side.

Mr. HAWKINS. In other words, we are going to go through a rude awakening after things get so bad that the administration will begin to do something. I wager to bet, with Under Secretary Lovell last night, that this administration would eventually embrace public-service jobs. I think he went so far as to put up a nickel.

Mr. WEISS, have you completed your—

Mr. WEISS. Thank you, Mr. Chairman. I have no further questions.

Mr. HAWKINS. I would like to express the pleasure of the committee at the testimony and the patience of the witnesses, and to you, Mr. Harmon. I, too, would like to commend you. You have become a very excellent model. We will certainly use you as a prime exam-

ple of how these programs have worked. Certainly it is through the splendid development of such individuals as you that gives us confidence. Mr. Watkins, we thank you, too.

That concludes the hearing. The hearing will convene tomorrow morning at 9:30, in room 2253.

[Whereupon, the joint subcommittees were adjourned at 5:35 p.m.]

[The following was received for the record:]

TESTIMONY OF EDWARD J. KING, GOVERNOR, COMMONWEALTH OF MASSACHUSETTS

An ex-offender without a job is very likely to become an offender over and over again. Yet the placement of ex-offenders into unsubsidized employment is extremely difficult. As a rule, ex-offenders are undereducated, unskilled and lacking in work experience. Employers are understandably reluctant to hire convicted criminals.

In Massachusetts we have developed the Comprehensive Offender Employment Resource System [COERS] program to address employment problems of ex-offenders by providing services ranging from education, World of Work orientation, skills training, job development and placement to post-placement support for both the ex-offender and the employer. These comprehensive services are costly, but when measured against the cost of continuing criminal activity, the benefits are substantial. We estimate that COERS services have resulted in a 58 percent decrease in recidivism for participants. A benefit-cost study of COERS has shown that for every dollar invested in the program, \$6.46 is returned to society in the form of direct contributions to the economy and in averted criminal justice costs.

The success of this Massachusetts program is due to its innovative use of inter-agency collaboration. COERS was created from funds from the Governor's Discretionary Grants for the Comprehensive Employment and Training Act [CETA] and from previously existing programs. Rather than reinventing a service delivery system, existing services for ex-offenders were incorporated into one program, COERS, to provide comprehensive employment services at the least cost.

Prior to COERS, employment services for ex-offenders were fragmented among state criminal justice and employment and training agencies. Some programs served only the courts; some only specific correctional facilities. Some programs actively competed with others for the same clients and employers. Through the planning and design of a statewide service delivery system initiated through our CETA Governor's Grants, these programs were consolidated in the most cost-effective manner.

The pooling of resources has resulted in the coordination of ex-offender employment efforts by eight Massachusetts agencies including CETA Discretionary Grants, the Departments of Correction, Parole, Probation, Youth Services, Vocational Rehabilitation, Employment Security, and the LEAA State Planning Agency. In addition, local job training prime sponsors of CETA joined this interagency endeavor in the four urban areas where COERS operates.

Where previously there were many administrative structures for ex-offender employment services, there now is only one. Where previously there were duplicative programs, major employment and training services for ex-offenders now are integrated in centralized locations in four Massachusetts cities. Funds saved through the elimination of duplication are recycled for new services. This integration and coordination of services through COERS created a greatly expanded service delivery system at a saving of over \$55 per client.

Another benefit of the COERS design is its capacity to provide services to ex-offenders being released from state correctional institutions. While COERS provides services to all ex-offenders, priority is given to those returning to the community after a state prison sentence. The importance of employment for individuals requiring reintegration into society cannot be overestimated. Yet many state prisons are located in areas which are isolated from the urban residences of inmates. The statewide focus of COERS has enabled it to provide centralized outreach to the state prisons for its four urban centers. As a result, COERS has doubled the number of individuals receiving employment services upon their release from Massachusetts correctional facilities. There is little doubt but that this effort has contributed to the decreased recidivism rate.

While no price can be put on the value of public safety, COERS has demonstrated that public safety can be improved cost-effectively with the carefully coordinated use of federal and state resources. At a time of increasing concern for public safety and at a time of diminishing public resources, programs such as COERS assume an even greater significance.

UNEMPLOYMENT AND CRIME

WEDNESDAY, OCTOBER 28, 1981

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON CRIME,
COMMITTEE ON THE JUDICIARY, AND SUBCOMMITTEE ON
EMPLOYMENT OPPORTUNITIES COMMITTEE ON EDUCA-
TION AND LABOR,

Washington, D.C.

A joint hearing of the Subcommittee on Crime of the Committee on the Judiciary and the Subcommittee on Employment Opportunities of the Committee on Education and Labor convened at 9:40 a.m., pursuant to recess, in room 2253, Rayburn House Office Building, Hon. William J. Hughes presiding.

Present: Representatives Hughes, Hawkins, Sawyer, Jeffords, Hall, Fenwick, and Petri.

Staff members present: Hayden Gregory, chief counsel; David Beier, assistant counsel; and Deborah K. Owen, associate counsel, Subcommittee on Crime; Susan Grayson, staff director; Beth Buehlmann, minority legislative counsel; and Terri Schroeder, staff assistant, Subcommittee on Employment Opportunities.

Mr. HUGHES. The joint hearing of the Subcommittee on Employment Opportunities of the Committee on Education and Labor and the Subcommittee on Crime of the Committee on the Judiciary on the subject of unemployment and crime will come to order.

The Chair has received a request to cover this hearing in whole or in part by television broadcast, radio broadcast, still photography, and by other similar methods. In accordance with rule 5(a), permission will be granted unless there is objection.

Is there objection? Hearing none, coverage is permitted.

Our first witness this morning is James Carvino, the chief of police of Racine, Wis. Chief Carvino has an impressive background in law enforcement, first in New York City and now in Wisconsin. The chief is appearing before us today representing the Police Executive Research Forum. We hope through his testimony to relate the concept of unemployment to criminal behavior from the perspective of a law enforcement official.

Later in the day we will hear from leading academic experts on this topic. It is equally important, however, that we understand the informed view of a person who stands as a soldier in the first line of defense against criminal conduct.

Chief Carvino, do you want to come forward, please? It is good to see you. We have a copy of your statement and, without objection, it will be received in full in the record and you may proceed in any way that you see fit.

TESTIMONY OF JAMES J. CARVINO, CHIEF OF POLICE, RACINE, WIS., AND MEMBER, POLICE EXECUTIVE RESEARCH FORUM, WASHINGTON, D.C.

Mr. CARVINO. Mr. Chairman, I would like to thank you for providing me with the opportunity to appear here today, particularly on behalf of PERF, which is an organization that attempts to raise the professional level of police service delivery.

I would like to talk about my experience with the New York City Police Department for some 22 years, and also about my experiences in Racine, Wis., basically dealing with what I believe to be the impact of high unemployment on crime.

There have been a lot of sociological studies and surveys over the years, and I really do believe that some of the statistics involved can be misleading. Quite frequently I do not think they tell the entire story, and that is what I would like to do.

A few years ago I remember reading a report by the Bureau of Labor Statistics where they attempted to dispel some myths that had been brought before us as far as crime is concerned. One of the things that they did talk about was the impact that unemployment had or did not have on crime. It indicated that a lot of people who were arrested did have jobs at the time they were arrested. As a matter of fact, they indicated that approximately two-thirds of those people who were arrested were employed approximately 1 month before being arrested.

I do not think that this gives us a true picture of the whole story.

No. 1. A lot of people that are arrested and have jobs may be on probation or parole and are required, in order to meet the probation requirements, parole requirements, to have a job. Many of these jobs are just a pure subsistence level. They do not really give us any idea of what the person is doing.

Quite frequently these people, although they are employed, do turn to crime to add to their income.

I think that basically the crime rate is impacted in two ways. No. 1, high unemployment increases the crime rate, on the one hand; and second, I think high unemployment makes it very difficult for police to accomplish their task. This is done basically in two ways, in my opinion.

No. 1, there is an increased amount of leisure time that is available to those people that are unemployed, and when you combine this with a high level of frustration and anxiety that they experience, you begin to have problems.

I think most sociologists will agree that as we increase social contacts, and if this is charged with high anxiety and frustration and high unemployment, you begin to have confrontations, and these confrontations between people, whether in the privacy of their own home or out on the street, do create problems for the police.

At the lower level, these contacts may be quite innocent. They could amount to unlawful assemblies, disorderly conduct, drunkenness, and that type of thing and, of course, where they become more severe we have assaults and perhaps even homicides.

So it is my feeling that during times of high unemployment, as the social contacts increase the demands for police service increases and then when you throw people into the breach in that

area, you are now diminishing your ability to deal effectively with crime.

I think we can all remember some of the experiences we had in the 1960's, and as we have high unemployment, people with more time on their hands, people with little hope for the future, I think we find that we begin to develop conditions of social unrest. People begin to gather on the streets. We have more demonstrations, we have more marches, and again, this translates into more work for police departments because we do have to guarantee their constitutional rights and it is our job to see that the public safety is maintained and public order is maintained.

I can remember instances in Bedford Stuyvesant many years ago when I was working there as a commanding officer. Frequently you would see young people on the streets. Most of these people were young, disadvantaged and unemployed. On the weekends and during the week they increased their use of alcohol and other types of mind-altering drugs. As the evening hours went on, without the ability to hold and maintain a job, they would stay up into the late evening hours. As a result, they would get high and you would be out there dealing with the problem from a police perspective.

Quite frequently this developed into what later became riots where minor confrontations with the police in the early evening hours in the summer developed into full-scale riots in the 1960's, I believe around 1966.

I think that all of us can sometimes become a little bit upset with some of the frivolous programs that we have experienced and some of the setbacks that we have experienced with these programs, but I still really believe personally that something has to be done. If we do experience high unemployment, it is going to be the people in the lower socioeconomic strata that are really going to suffer the most from it, and these are the people that the police are going to have to deal with day in and day out.

I had a recent example in Wisconsin where an individual who had been unemployed, he was 20 years of age, and he was very depressed and despondent over the fact that he was unemployed. His 39-year-old aunt who had raised him from birth also became unemployed, and there were 8 people in the household to feed. One Sunday, just prior to dinner, he just broke. He took 2 kitchen knives and went in and killed his aunt. He stabbed himself several times, but did not succeed in committing suicide, ran out into the street and had a direct confrontation with a police officer and was subsequently shot and killed.

This is just an example of some of the things that can happen, and in this particular case I do relate it to his being very despondent over the fact that there were a lot of mouths to feed and the fact that he could not get and hold a job.

I would like to leave that area now and go into 3 other areas where I think that high unemployment connects with the crime rate, and that is basically white-collar crime, the victimless crime, and also crime involving property and violent crime.

In the area of white-collar crime, I think we do have a large segment of our population that, in high unemployment, are going to get very frustrated about their inability to keep up with the Joneses and to meet the status quo. These people normally do not have

a proclivity to get involved in a criminal act, yet they quite frequently do. They do it in a more subtle way. They do not do it the way the violent criminal does it, a person involved in property crime. They get involved in things like insurances frauds and tax frauds.

For example, the fellow who normally would go down to the local shopping center to purchase a television set, when he is impacted and does not have the bucks to spend, he will buy that hot television set from the person who is selling it in a bar and grill or a tavern.

OK. A lot of people wouldn't consider this very serious, but this is a police problem and he now becomes an accessory to the crime of theft, perhaps, and at least he would be guilty of the crime of receiving stolen property. So it is not only the criminal that gets involved who is unemployed, but it is also people who are working every day out there.

Insurance frauds. Our city experienced a 27 percent increase in the burglary rate in 1980. My question would be: Is that real? Are there really that many more burglaries in the city of Racine? Or perhaps it is some of our people inflating their losses or creating losses for insurance purposes.

How about those people that attempt to beat taxes and get a refund in this area?

So I would take a look at that as a problem that police have in the area of white-collar crime.

We can move on from there and talk about victimless crime. We see all the pimps, prostitutes, gamblers, and drug dealers on the street. Back in the 1960's, in the late 1960's and the mid-1970's I was in charge of narcotics at one time in the Bronx, N.Y., and I was also in charge of narcotics in Brooklyn and Richmond, which is Staten Island. I had the opportunity to view many arrests that were taking place and to talk to a lot of people that were arrested, and I know what the myth is, that people are employed at the time of arrest, but I can tell you from personal experience that I had never, or rarely ever saw a gambler, prostitute, pimp or drug dealer that held a job.

The reason why I think that is important in times of high unemployment is that a lot of people who have limited skills, limited job experience, are disadvantaged and perhaps find it very difficult to get a job, they turn and who do they look at? They look at the role models within their own particular community, and who are the role models in the lower socioeconomic areas? These are basically the pimps, the prostitutes, the gamblers, and the drug dealers.

These people then turn to that in order to meet their needs, their basic needs. So I think it is a problem for us.

The last area I would like to discuss is that of the people who I consider to be the most desperate and create the most serious problem for police, and those are individuals who become involved in property crimes and violent crimes. Those that have the greatest skills will get involved in property crimes such as shoplifting, petty thefts, and that type of thing.

Another group that has the least skills available to them and find no other way to deal with their problems go out and they commit the crimes that we are all concerned about, violent street

crimes such as homicide, assault, mugging, strong-arm robberies, and that type of thing.

I guess if tomorrow all high unemployment generally was removed, I realize that we would still have crime. I am not saying that to remove high unemployment, and that is the only cause. But I really do believe that with high unemployment, combined with the anxiety and frustration and the inability of people to meet their basic needs, that this is a power-packed thing and that it ultimately translates into a higher crime rate and problems for the police.

They did a recent study in Racine, Wis., in one of the major manufacturing firms out there, and when they surveyed the people to find what their concerns were, the No. 1 concern of the people in the city was crime. Racine is not exactly what some people might view it as. Racine is No. 1 in property crime in the State of Wisconsin, and is No. 1 in violent crime.

Mrs. FENWICK. In what?

Mr. CARVINO. In violent crime, per capita.

The second issue that concerned people most was jobs. And I think on a national level it has been said to be the economy, No. 1, and perhaps crime, No. 2, coming up from where it ranked sixth or eighth a couple of years ago.

So I think people are concerned about it. I know that I am.

One of the other things that concerns me, in conclusion, is that this overburdens the police ability to act in a proactive fashion. It makes it very difficult for police to get out and get involved in the problems in their communities in attempting to reduce crime. It affects them from a management level; it affects their style.

I know in some cities, such as New York, you can't consider that you are going to go out and have any impact on crime when you are dealing with issues from the moment you get into your radio, the officer is eight calls behind, and in essence he runs from one job to another. He really doesn't impact on anything. It is very difficult to do it, and I think that high unemployment does create a problem for us.

In conclusion, I guess that I would like to say that I feel that we have experienced this problem in the past, we have seen it through a wide variety of reasons that occurred in the 1960's. A lot of us are disgusted with frivolous programs, as I indicated earlier, but I think the bottom line is that I think we have to do something about it because if it continues we are going to have a problem dealing with it and we will be spinning our wheels.

Thank you.

[Mr. Carvino's full statement follows:]

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TESTIMONY OF

James J. Carvino
Chief of Police
Racine, Wisconsin

and

Member of the
Police Executive Research Forum
Washington, D.C.

Before the

United States House of Representatives
Committee on the Judiciary
Subcommittee on Crime

October 28, 1981

IMPACT OF UNEMPLOYMENT ON CRIME

Mr. Chairman, Members of the Committee, as a representative of the Police Executive Research Forum, and, on my own behalf, I thank you for providing me an opportunity to present my views concerning the impact of high-level unemployment on crime.

The Police Executive Research Forum is a national organization comprised of police chief executives from many of the nation's largest city, county, and state law enforcement agencies. The Forum's primary purpose is to improve the delivery of police services through the professionalization of police executives and officers.

Too often the views of law enforcement executives are not sought when social questions are at issue. I suspect, however, that few would deny that changes in the social condition directly affect the ability of law enforcement agencies to prevent and combat crime. Far reaching, high-level unemployment is an issue of this type--a social issue no doubt--but one that affects the delivery of law enforcement services in a direct way.

Not being an economist or theoretician I will refrain from discussing or evaluating national economic policies or programs designed to affect unemployment rates. Instead, it is my intention to give you a

street-level view of the unemployment problem and its impact on crime. My comments are based on some 26 years of law enforcement experience both as a command officer with the New York City Police Department in which I served for 22 years, and as Chief of Police in Racine, Wisconsin, a city with a heterogeneous population of approximately 95,000, and a well-diversified industrial base.

I recall reading a report a few years ago published by the U.S. Department of Justice entitled, "Myths and Realities About Crime." It attempted to dispell, statistically, many stereotyped beliefs about crime. One of the myths alluded to was that the typical person who commits a crime is either unemployed or on welfare. The report pointed out, "Based on what is known about imprisoned criminals, most persons who engage in crime have jobs and very few are welfare-dependent."⁽¹⁾

The article also pointed out that two-thirds of the country's imprisoned inmates held jobs one month prior to arrest. But what about the other one-third who did not--was that significant? The report indicated that the median income of those working was only \$4,630, which was 45 percent lower than the median income for all income earning males fourteen

(1) U.S. Department of Justice, Myths and Realities About Crime, page 44. 1974. Superintendent of Documents, U.S. Government Funding Office, Washington, D.C.

years or older. But, it left unanswered the question of whether or not that was enough money to allow an individual to meet basic needs. How many of the inmates employed prior to arrest were on either probation or parole, and, in order to satisfy the conditions of their release, were required to have a job, and perhaps were subsidizing their income through crime?

My point is that statistics can be misleading; they do not always tell the entire story. On the topic of unemployment and crime, findings have been inconclusive. No significant correlation has been sustained indicating that unemployment either does or does not affect crime. Research studies have frequently varied in their conclusions. For reasons such as those just mentioned, I feel my testimony can be of value to you. My conclusions are based on my own experiences as well as those of many of my peers. Other experts can, and I am sure will, testify to the fact that unemployment and crime are related, or unrelated, depending on their perspective. Each, I am sure, will use statistics persuasively. Nevertheless, experience and first hand knowledge cannot be discounted.

The question is--Does high unemployment affect crime? My answer is yes. Its affects are felt in two significant ways: on the crime rate itself, and on the ability of law enforcement agencies to deal with crime.

I believe that high unemployment creates two inter-related conditions which synergistically effect crime rates in an adverse manner. The first is the tremendous increase in general leisure time available to those unemployed. The second is the high level of anxiety and frustration that develops as the result of being unemployed and the inability of some individuals to meet their basic needs in a normal and acceptable fashion. Taken together, these conditions create a myriad of problems for police.

I think we can all agree that excessive leisure time combined with the anxiety and frustration of unemployment foster increased friction in social contacts. These contacts, whether occurring in the privacy of one's home or not, can and often do lead to more demands for police service. People with lots of time on their hands, with little to lose and with little hope for the future, present a combustible social tinderbox. Passing their empty time by congregating in public places, such as taverns, parks, neighborhoods, or street corners, can lead them into activities which demand police attention. Even if their behavior is not a serious crime, the police may have to be called to deal with public drunkenness, disorderly conduct, harassment, disturbing the peace, or trespass. Just "passing the time" may result in activities which lead to arrests for assault, driving while intoxicated, vandalism or a myriad of other criminal violations. While these activities may not be the kind of

predatory street crimes the police are most concerned about reducing, they certainly are nuisances and criminal behavior which demands our attention.

Also, high unemployment when coupled with concern over one's future or that of one's family can lead to social unrest. Frustration mounts for those who merely seek to put their skills to productive use, but, because of forces beyond their control, are unable to do so. A potential result is an increase number of demonstrations and marches as a source of outlet for this anxiety and as a means of registering united dissatisfaction with the current circumstances. Whether or not these incidents are legally sanctioned is of little consequence to the police because, in either case, they must become involved to safeguard constitutional rights and to maintain public order.

I worked in Harlem and Bedford Stuyvesant in New York City during the riots of 1966, and can personally attest to the problems unemployment caused in these core areas during the summer months. There were large groups of young people who were unemployed with nothing but time on their hands to get into trouble. Often they could be seen sitting on fire escapes and front stoops drinking beer into the early morning hours. Many of our biggest police problems developed as these young adults, facing bleak prospects, got high on alcohol and other drugs often leading to trouble.

This brings to mind another issue. Many young people, unemployed, unguided, and frustrated, drifted into drug use. When asked why they did this, the basic answer was, "Why not--there was nothing else to do!" Many turned to crime to support a drug habit, a habit developed, in part, by too much time on their hands.

We can all remember the volatile conditions that existed on our streets during the "long, hot summers" of the mid-60's. Large groups of youths and others in many of our city ghettos became polarized. Minor confrontations with the police, frequently over minor issues, touched off riots. High unemployment, in my opinion, was partly responsible for what happened then, and will create similar problems today if not dealt with effectively. If those conditions should reoccur--the rioting, looting, assaults, homicides, and arsons--they will have a severe adverse impact not only on crime, but on the economies of affected cities and our society in general. All of this means more problems for the police.

I have been as frustrated as anyone else with frivolous programs geared to youth and those who are unemployed that don't work, but I still believe something must be done. I feel that programs that develop a work ethic are viable. CETA's major goal was the creation of new jobs for low income unemployed; but its real successes were not derived from the new jobs created by government, but from the work ethic, confidence, desire,

and hope that was engendered by the achievement attained by those gainfully employed.

I can think of one recent example where unemployment led directly to the commission of a crime. A local Racine resident, with no previous criminal background, became depressed because he was out of work. His frustration was due to his inability to get a job and stabilize his life. This frustration led to an escalating chain of events, beginning with the murder of his aunt who had raised him from birth to his own attempted suicide. Subsequently, he was shot and killed while attempting to stab a responding police officer.

Next, I would like to talk about white collar crime and its connection to unemployment. Unemployed white-collar workers, generally draw on their business experience when entering the criminal arena.

Many middle income Americans live the good life, but have financial commitments due to home mortgages, car loans, college tuitions, etc. Some of these people are unable to cope with problems associated with the loss of their jobs. For them crime is a way of meeting their obligations or simply keeping up with the Jones. Some, when it becomes clear that they may not be able to keep up or may loose everything, become involved in crimes like insurance fraud, criminal receiving of stolen property, get-rich-quick business schemes, arson, con artist schemes,

fencing operations, etc. People, almost innocently, to hold down expenses, may buy a "hot" television from some character in a local bar rather than routinely purchasing it at a local shopping center. Thus, they become an accomplice to the criminal act of theft and can be criminally charged with receiving stolen property.

Insurance company statistics indicate that loss claims increase when unemployment increases. Are there really more burglaries or merely more reported burglaries? In Racine in 1980 burglaries increased 27.6 percent over 1979, while unemployment during the same period increased from 5.1 percent to 8.1 percent. Today it is pegged at 10.3 percent. I would say much of the increase in crime is real--actually due to burglary--but I also believe that there are home owners pressed to pay debts and meet obligations that initiate false burglary complaints. Unemployed people in the middle- or upper-income category, normally may not be predisposed to commit crime; however, when faced with financial difficulties, may rationalize criminal behavior in order to maintain their status quo or escape foreclosure or repossession.

Another group of crimes directly related to unemployment are victimless crimes. Many young people today, particularly in impoverished areas, lack job skills. I believe some become involved in criminal activity as an alternative to the frustration of the unemployment line. They look around them at successful role models in their community, and who

do they see--drug dealers, pimps, prostitutes, and gamblers. Becoming involved in this type of criminal enterprise takes little expertise, needs no formal training or education, requires no references, and the market is wide open.

As a member of the New York Police Department and commanding officer of Bronx narcotics in the late 60's, and again as the commanding officer of Brooklyn and Staten Island narcotics from 1973 to 1977, I observed hundreds of people who were arrested, rarely did I find any gambler, prostitute, pimp, or drug dealer who was not unemployed. I spoke with many of these individuals, and they indicated that one of the major reasons they become involved in a life of crime was their inability to get or hold a job, and the belief that they could "make it big" by turning to crime. High unemployment contributes to this problem. These people will sooner or later become characterized as "discouraged workers." That is, the Bureau of Labor Statistics will not include them as unemployed persons for statistical purposes. In police terms we call them career criminals.

The last group I would like to discuss can be categorized as the least skilled and most desperate. They turn either to property or violent crime to meet their needs. Those with greater skills become involved in burglaries, thefts, auto stripping, shoplifting, etc; those with lesser skills, or in more dire straits, resort to sheer violence, such as

robberies, purse-snatching, strong armed robberies, assaults, homicide.

This is not to say that if unemployment were removed tomorrow all of these crimes would cease, but I believe that in times of high unemployment, crime in all of the above categories will increase.

During the riots which occurred in New York City in summer of 1966, I was assigned to anti-riot control in a business district in Bedford Stuyvesant. I spent three months supervising approximately 150 foot patrolmen in that area, and I made a concerted effort to talk to people who were arrested, where complainants, or were doing business or residing in the neighborhood. When I asked them why they felt these problems were occurring, they expressed two major concerns--over and over again--that people had too much time on their hands, and in many instances the use of drugs by young people had drained them of initiative. Many of those arrested said they had no real job skills, and were not disposed to get them. Frequently these unemployed young adults were addicts who turned to crime to support their drug habits.

As indicated earlier, unemployment not only increases crime rates, it overburdens the police, affecting their ability to fight crime. Regardless of whether the act committed is criminal in nature or not, it often translates into a call for police service. This increased demand for

service affects a department's ability to deal with crime in a proactive fashion. As service demands increase, the administrative workload increases and both adversely impact on a police department's ability to reduce crime. Therefore, if high unemployment increases police calls for service both of a criminal and non-criminal nature, and I believe it does, then the bottom line for police agencies must be diminished police resources. Paradoxically, the police must then fight crime with fewer people when the demand for their services are greatest. Its a "Catch 22" situation.

In conclusion, in my opinion high unemployment is one of the major catalytic agents that sets off the chain of events leading to the actual commission of crime, and increased leisure time combined with high levels of anxiety and frustration are some of the ingredients in the formula.

My greatest concern is that unemployment seriously impacts on our young people, particularly those in disadvantaged circumstances. They must be involved in work of some kind that is meaningful, contributes to their development of job skills, and is designed to build self-worth and confidence. If society does not provide these opportunities we will suffer the consequences of increased crime and the police will be forced to fight a rear-guard action against this societal Gordian knot.

Addendum 1

To provide some insight into the employment picture in Racine County, I have included the following data:

The 1980 population of Racine County was estimated to be 173,132, an increase of only 1.3 percent from 1970. During the same period, the state's population increased by 6.5 percent according to the estimates.

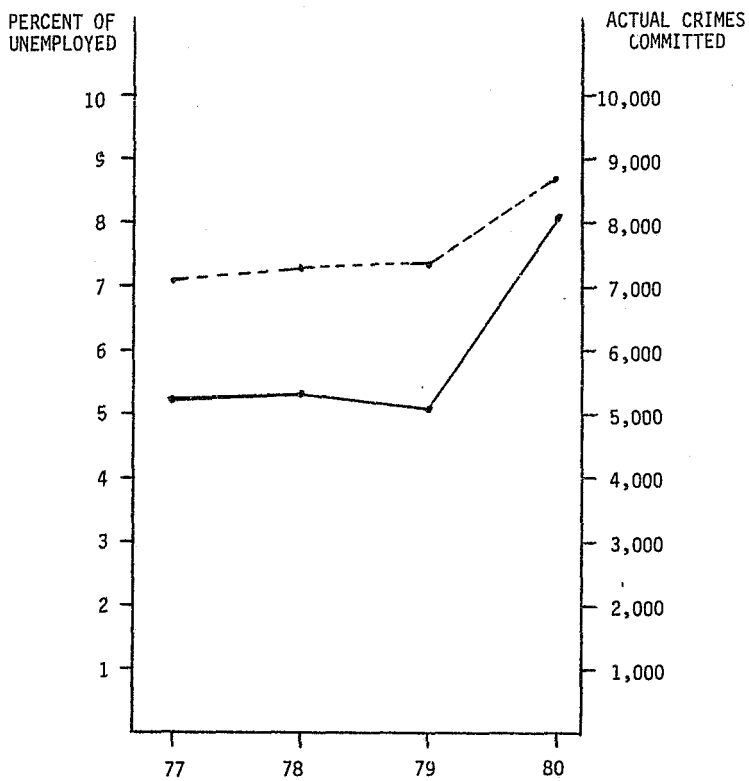
Projections for fiscal year 1982 indicate that 6,860 individuals, 18 years and older, will be below the poverty level. Many of these individuals may be unemployed or under employed and may be in need of training or placement assistance.

Most notable in 1980 for the Racine Standard Metropolitan Statistical Area was the steady increase in the area's unemployment rate. Annual average unemployment for the Racine area during 1980 stood at 8.1 percent.

It peaked in August of 1980 at 10.9 percent and remained at 8.6 percent at the year's end. The annual average exceeded both the State and National averages, which stood at 7.0 percent and 7.1 percent respectively.

Racine's highly diversified manufacturing industry was particularly hard-hit by the continuing recession. Both Racine and the surrounding labor markets are extended in nature and highly responsive to economic trends at the National level.

City of Racine, Wisconsin



—— PERCENTILE OF UNEMPLOYED

----- ACTUAL CRIMES COMMITTED

Mr. HUGHES. Thank you, chief, for an excellent statement.

The Chair is going to try to adhere to the 5-minute rule so that we can get through the questioning expeditiously, and also, I am going to follow the lead of the chairman of the Subcommittee on Employment Opportunities and try to recognize members as they come into the hearing room. First we will start with Chairman Hawkins.

Mr. HAWKINS. Thank you, Mr. Chairman.

Chief, may I commend you on a very excellent and very clear presentation.

There is an argument which is raised that if unemployment is the main contributor to crime, why is it that during times of prosperity that there is sometimes an alarming crime rate. With respect to that, and the experience that you have had, would you say that many of the groups who are exposed to crime, or to the possibility of committing crime, are individuals who, even during times of prosperity, are likely to be unemployed? In other words, even during times of prosperity, many of the individuals that you have seen during the years that you have had experience with the problem, are they the ones who are likely to have jobs available to them?

Mr. CARVINO. I think I indicated that I feel high unemployment is one of the major factors that contribute to crime, but I didn't want to lead you to believe that I felt it was the only one. I do not. I think it is one of many.

In evaluating crime, it is very difficult at times to tell why. I have taken a look back to the end of World War II, at the rise and fall of the crime rate vis-a-vis the high unemployment or low unemployment for any given period of time. There are a lot of variables that impact on us.

No. 1, when people are in despair, quite frequently they do not report the crime because they feel that no one can do anything about it. So, therefore, your crime rate is a statistic, but the impact of that statistic is not always before us. One of the things that the Police Executive Research Forum has done in three cities in the United States is to conduct some pure research in the area to determine what the statistic actually means with regard to impact on a crime in that particular city.

So the statistical rate, in and of itself, does not mean that much to me about the crime. I could see that the variance is there, but I would have to look at other factors to be able to answer that.

Mr. HAWKINS. In speaking to us today, are you also representing the Police Executive Research Forum?

Mr. CARVINO. Yes, I am, and, of course, myself and my own opinions.

Mr. HAWKINS. Are the views presented by you to some extent also shared by that organization?

Mr. CARVINO. I really didn't ask them. They asked me if I would present my views, and I presented this speech to them and they looked at it, and I don't believe it has been changed very much.

I would have to say that these are my views, and I also have discussed this with quite a few of my peers, and I would have to say that by and large most of them would concur in what I have to say.

Mr. HAWKINS. Without officially representing them, would you say that your views are generally representative of other police chiefs with whom you have had an opportunity to discuss your views?

Mr. CARVINO. Of those that I discussed my views with, yes.

Mr. HAWKINS. There are many who think that some of us, in suggesting even a hearing such as this, are in effect saying that unemployment is a primary or the only cause of crime. I notice that in the remarks that you made to us that you indicated that it was a main contributor, which is, I think, mainly what any of us would be saying.

Would you, in that context, say that employment would then be a major contributor to reducing crime?

Mr. CARVINO. I would hope that it would be. As I say, my experience is in the core areas during the 1960's when we had riots. It is just unbelievable the number of young people that were unemployed and running around the streets. As I said earlier, it is not only the fact that they should perhaps be employed; I think it is development of a work ethic, developing getting up in the morning, going to work, feeling that what they are doing is important and has meaning to them and gives them a sense of achievement and pride.

I think those things are very important. I don't really feel that you can impact very severely on a person who is 23 or 24 years old. If he is involved in crime at that point, he is going to stay involved in crime until he either gets on a bucket brigade or gets married. He is not going to be persuaded to move out crime until he meets a woman, or something else.

But it is the young people, I think, at very impressionable ages, when they start to become of a work age, 15, 16, or 17, at least find ways to keep these people occupied. If we could find ways to give them some self-pride and to develop a work ethic, I think we will avoid a lot of problems. We will be able to move these people out of that mainstream that we are confronted with, at least that the police are confronted with.

Mr. HAWKINS. Let me rephrase it in a much broader sense.

Would you say that employment security, a feeling in an individual, regardless of what particular income class that person happens to be in, the possibility of advancement in life, of having practical economic security rather than, I think you used the word alienation, a feeling of alienation, is an important aspect of an individual's life and would be extremely or substantially helpful in the reduction of crime?

Mr. CARVINO. I don't know if it was Prof. Harold Hill in the "Music Man," or if it was St. Thomas Aquinas, who said, "Idle hands are the devil's workshop." I would have to say yes, I think that if you can keep people occupied that they are not going to have the time to get involved in crime. For example, one thing I didn't talk about are the people who have nothing better to do that become involved in drugs, particularly young people. They sit around, they begin to get involved in the drug culture. They begin as users and they wind up becoming dealers to sustain their habit, or else they turn to crime in order to meet their needs.

This is the type of thing that I think keeping people occupied with something avoids. Again, as I say, I do believe it does impact at all levels. It impacts on white-collar crime, it impacts on street crime, and it does most seriously impact on the disadvantaged youth.

Mr. HAWKINS. Thank you.

Mr. HUGHES. Thank you, Mr. Hawkins.

The Chair recognizes the gentlewoman from New Jersey, Mrs. Fenwick.

Mrs. FENWICK. Thank you, Mr. Chairman.

I have several observations. One, the riots of the 1960's. We had relatively high employment then compared to other times in our lives. I think that the riots of the 1960's were caused by a sense of injustice. Large numbers of people, with some justification, felt that there was a pervading injustice; no matter what they did, it wasn't going to help much.

That is my observation on the 1960's, and why we had the riots, I worked in Newark at the time and I knew it was coming in 1963. I started a bipartisan Conference on Civil Rights, then, in order to give some expression to these feelings and some correction of the injustices that were being perpetrated.

Also, I was president of a prisoners' aid group now called the New Jersey Association of Corrections that worked very closely with the Vera Institute. So I saw conditions from that point of view. There was a fine man in New Jersey then who became the head of the Vera Institute. We lost him to New York, Herbert Sturry.

Mr. CARVINO. I know him. My father worked under him at one time.

Mrs. FENWICK. A fine man, yes. We received a liberal education from him. But I think we must listen also to Commissioner McGuire, whom you probably know, and whom I admire. His sorrow and concern is the 8-year-old killer. There is no use saying that employment is going to take care of that.

What do we do in this situation? I think it is part of a whole syndrome. Interestingly enough, in a long number of sessions with one of the three people who run the prisons in Great Britain I was told the following.

I asked, "Why do you think we have such a high crime in the United States as compared to yours in Great Britain?" Do you know what the answer was? "Advertising." The Commission felt that it made people want more. The white-collar crime that you are talking about—the people who set up those phony franchise deals and milk people of millions every year—they just want more. There is no basic need. They are not in trouble. They just want more.

A great deal of the white-collar crime comes, as you say, from an effort to keep up with the Joneses. Advertising. "Better to have a Buick than a Chevrolet."

We don't understand people now. I worked very closely with prisoners in New Jersey and I still get letters from them, if you can believe it, after all these years, some of them pardoned, some of them doing very well, some of them in missionary work.

It is interesting in talking with prisoners to find they stole only because they wanted something that they couldn't get. They wanted a convertible.

So obviously, if we are trying to do something about crime, we must start with the 8-year-old, the 10-year-old, the 12-year-old, the 14-year-old, long before they can be properly employed. We are dealing with a psychological problem that has much more to it than just whether or not welfare has met the basic needs.

Mr. CARVINO. I agree. As I indicated earlier, I think it is multifaceted. It doesn't begin and end with the police. It doesn't begin and end with high unemployment. It runs the whole social gamut. However, my purpose here is to discuss whether or not I believe that high employment did impact on crime, and limiting my statement to that issue, I do believe that it does.

That doesn't mean to say that there aren't a lot of other things that impact on crime. Maybe some of them may have a heavier weight, but in answering the question, some people would say that it doesn't. I say to those people, go out on the street and take a look for yourself.

I am talking about things that I have seen. I worked in narcotics for a number of years. I have gone to many homes where I have seen drug dealers who are rolling money, and I have looked at their children sleeping on a mattress with 2 dogs, and defecation all over the floor. They had very little concern about their children. Those kids don't stand much of a chance.

In society, I agree with what you have to say and, again, I limited my discussion. Don't get me wrong. I am not a bleeding heart, but I understand the practicalities of the street situation. But again, I can't bring myself to say that something shouldn't be done, and if we made mistakes in the past, that isn't to say we shouldn't try to do better in the future.

Mrs. FENWICK. But the question is what to do. Until we understand the psychology, we are not going to know what the right thing to do is.

Mr. CARVINO. I don't know if we will ever understand it completely.

Mrs. FENWICK. We have to try. I am on the board of Odyssey House which deals with drug addicts. You can see the disadvantaged children caught for just the reasons that you have outlined, and the ones from our best and most expensive suburbs, caught together, for a variety of reasons.

Mr. HUGHES. Did you want to complete your answer?

Mr. CARVINO. I just wanted to point out that in 1963 I was in graduate school in New York and I did work on a study of the East Orange Police Department. Yes, I am quite aware of the kind of problems they had in Newark at that time.

Mr. HUGHES. Thank you, Mrs. Fenwick.

The Chair recognizes the gentleman from Michigan, Mr. Sawyer.

Mr. SAWYER. Thank you, Chief.

I just wonder on the unemployment aspect, if perhaps we are putting the cart before the horse. I have spent most of my life as a trial lawyer and as an urban prosecutor. The chairman has also been an urban prosecutor, and the gentleman on the end has been

the attorney general of a State. So, we have some contact with this, too.

I am sure you have seen people who really do not want to be employed. It is not that they cannot find a job; it is just that they don't want a job or won't hold a job. They may think they might want one, but after they try it for a day or two, they decide that they don't and revert to criminal activities. So, it is true that they are unemployed. There is a question in my mind whether that is why they get involved in the criminal activity, or whether they are involved in the criminal activity because they opt not to be employed.

Mr. CARVINO. I agree with that statement. I think the Bureau of Labor Statistics calls those people discouraged workers, and I don't believe—I may be incorrect—I don't believe they are counted as an unemployment statistic. They are in a separate category apart. But the people I am concerned about are not those people who don't want jobs, we are always going to have that; I am concerned about the people that do want jobs. I am concerned about the people who don't want to turn to crime but may turn to crime.

Again, this turning to crime may not be necessarily with a mens rea or criminal intent. Again, I indicated that due to a lot of increased social contacts, there is a lot of tension in these people, particularly if they are concerned about their family. These social contacts do result in confrontations with the police that result in arrest and make our job more difficult.

Again, I didn't intend to come here to discuss any economic policies, nor is it our intent to discuss any past or proposed programs. I came here to talk about the issue of whether or not I believe that high unemployment does impact on the crime rate, and I have to say that I believe it does.

Now, as to the extent of that, I will leave that to others to decide as they develop testimony, et cetera.

Mr. SAWYER. Well, it is rather interesting that our present per capita crime rate is higher than it was in the depths of the depression. We are just coming out of perhaps the longest, most extravagant period of public assistance and that sort of thing that we have ever had in this country. Instead of reducing the crime rate, the crime rate seems to have gone happily on upward throughout that whole process. This is disturbing to me because I would like to get some insight into what can be done about it other than just taking people off the streets.

I am becoming less than convinced that the job route is really the answer.

Mr. CARVINO. I guess that is why we are all here, to express our point of view.

Mr. HUGHES. Will the gentleman yield to me on that?

Mr. SAWYER. Surely.

Mr. HUGHES. I have heard that criticism in regards to a lot of different programs. I have heard it with respect to LEAA, and we wasted an awful lot of money on LEAA. But nobody really knows what the crime rate would have been if we had not had programs like the Job Corps and alcohol and drug detoxification programs and other training and retraining programs.

How can we say what would have been the impact if that had not been the case?

I thank the gentleman.

Mr. SAWYER. Well, I don't want to get into individual cases, but let me give a typical example. I had a young partner in my law firm who got an 18-year-old out of some rather serious criminal charge, and he became very sold on the young fellow.

I happened to have had an opportunity to get people employment quite easily at that point with a very well paying Michigan United Automobile Workers full contract employer. His problem was that he felt that all this young person could do was run a steam hose in an auto wash or something meaningless that had no future to it. He felt that if the juvenile could get into something where he could have a good job, with good fringe benefits and a good future, that his problems would be totally solved.

We got him that job and he stayed on it about 3 days, then was a no-show. We followed up and found out that the machinery frightened him. The people who ran the company agreed that machinery does scare some people, so they then took him back again and got him a job on the assembly line where there was music playing. This job really just involved screwing little things together and the only machinery was little screwdrivers. After 3 days, he was a no-show again.

Finally we gave up and 6 months later, he was back in trouble.

It is just frustrating when you try to cope with some of this. I suppose maybe that just the idea of getting up and going to work at 8 o'clock in the morning, 5 days a week, is a major shift in thinking for some people. It is very difficult for them to do. But whatever it is, it is psychologically defeating when you try to take a hand in it on a case-by-case situation.

Mr. HAWKINS. Will the gentleman yield?

Mr. SAWYER. Surely.

Mr. HAWKINS. You made the statement several times. Are you suggesting the more jobs we provide, the greater the crime rate is going to increase?

Mr. SAWYER. No, no.

Mr. HAWKINS. Well, that seems to be the conclusion.

Mr. SAWYER. I think the gentleman is twisting what I am saying. I am just saying that—

Mr. HAWKINS [continuing]. That in spite of all the things that we have done in increasing the employability of individuals, the crime rate has gone up? Is that close to what you have said?

Mr. SAWYER. The question I am raising is whether there aren't factors that are considerably more important than the job rate. That is what I was going to ask him.

Mr. HAWKINS. I don't really agree with you on that, but let us confine it to the question of employment as one of the variables, not the only one. But let's confine it to that.

Are you suggesting that because the crime rate has gone up that in some way we should not attempt to provide employment programs for the youth and for other individuals that does not in any way impact on the crime rate?

Mr. SAWYER. No; I am really raising the question whether, as the witness has said, there is a multiplicity of factors that bear on this.

I am sure broken homes, the decline of church attendance, television, perhaps advertising, as the gentlewoman from New Jersey said, unemployment, drug use, and so on, have some bearing.

I am just trying to get a focus on how big a factor and how directly related unemployment is. Perhaps a year or so ago, I was pretty convinced, without really having gotten into it, that it was a very big factor. I have since become less sure of that, and that is really what I am asking.

Mr. HAWKINS. I understand.

Mr. SAWYER. I yield back the balance of my time.

Mr. HUGHES. I thank the gentleman. The gentleman from Vermont, Mr. Jeffords.

Mr. JEFFORDS. Thank you, Mr. Chairman.

In the discussion of youth unemployment, and getting more money for youth unemployment, I will do it any way I can. If this will help, and I think it does, viewing the TV cameras yesterday, it may help to get this administration to give us a little more emphasis in this area, that is fine with me. So I am not going to get into that philosophical situation at all.

I think that certainly we can argue that. It is a question of role modeling and if the parents don't work, then where do you start? You have to start down at the lowest level possible. As far as I am concerned you have to get the young people involved in programs.

Let me ask you: What kind of programs were available in Racine? What kind of youth employment programs do you have? How did they work?

Mr. CARVINO. Basically, we worked closest with the Urban League, and they have had a number of programs for the youth. We also have summer employment programs in the city as a whole to pick up some of the slack for our young people. We have had cadet programs in the police department. We also hire young people both at the college level and the disadvantaged in the summer to assist us in our needs in the police department. These were all special programs set up by the city.

Mr. JEFFORDS. Where do those programs stand now?

Mr. CARVINO. Well, I would assume that, just as everyone else, we are going to have to take our belt in a notch or two, and there will be some cutbacks.

Mr. JEFFORDS. If crime is the No. 1 problem on people's minds in the community, is there any opportunity or chance that the city will pick up some of those programs and provide the funding for them?

Mr. CARVINO. I guess that all depends on how bad the situation becomes.

Mr. JEFFORDS. Are you and other members in law enforcement taking an active role in trying to get the city to participate and pick those programs up?

Mr. CARVINO. I have. I have asked that we have a cadet program, reinstitute the cadet program. It was dropped from the budget a while back. I feel that it is important. I like to get young people in the police department. A couple of the other programs I have asked that they be put back in. We are going to have a tight year and I don't know if they will be able to. They have to have concerns about the tax levy, and not exceeding it, and this may seriously

impact on a lot of programs, not only those involving young people, but others.

Mr. JEFFORDS. Certainly if the crime rate is No. 1 on people's minds, and you feel that there is a lot of interconnection, it seems to me that there ought to be drive to get the city to pick up some of the cost. I am just curious as to whether that is occurring, and if not, why not.

Mr. CARVINO. Well, I have expressed my point of view on that matter. I haven't seen any systemized effort organized, but I feel that that will come. I feel that this is part of the area that I was talking about, of social unrest. There will be a lot of groups now, because of the impact of budget restraints, that will come forth and insist that programs be put out.

Again, as I say, I don't want you to misunderstand me. I have been frustrated with a lot of programs that I have seen. I think a lot of money has been wasted in that area, but I still feel that we do need programs, and the point is to develop effective programs; you know, how do you do that? I don't know. That is somebody else's responsibility.

I know that the programs that we have for young people in the police department are effective. When they work for us, they work. If they don't work, then someone else will have to try to deal with that problem, but we do develop a work ethic.

I mentioned an item before. I taught for 5 years as an adjunct professor at City University in New York, and I remember when open enrollment came in. It was pretty tough to get into business and public administration, and a few others. You had to have quite a high academic average. Then they went to open enrollment. Of course, everyone was concerned about the type of student we were going to get and what was going to happen.

I remember the first day I went into class. My class size jumped from about 20 up to about 65 or 70. I had one young fellow sitting in the front and he had a large radio with him and he was kind of trucking and jiving in the seat, and I said, here we go, I am going to have one hell of a time today. As it turned out, this kid, although his reading skills were not the greatest and he had trouble sometimes articulating his point of view, he was an interested student and after a few weeks the radio didn't come into the class, he started to get on with the program, later became a security guard for the school, went on and got his 4-year degree and he is now in a master's program in New York.

So some of these programs have been successful for young people. That is not to say that maybe he was successful, a vast majority were there to get a stipend from the government, they would sit in for a while and drop out and withdraw and you had other problems with the program because perhaps the program was not administered properly, but the concept was good.

This is what I am talking about; that we have to think in terms of what can we do. I am not saying that high unemployment is the only factor, but I think it is important, particularly from a police perspective because we have to deal with what happens when people are unemployed.

Mr. JEFFORDS. The crime rate situation—I used to be in law enforcement—would you say that it is very difficult to compare crime

rates now? It is my belief that the reporting procedures and the determination of the actual number of crimes committed has improved tremendously over a period of years. Do you agree that our reporting system for determining actual crimes is a lot better now than it used to be?

Mr. CARVINO. I would say so. You get into a Catch-22 situation. On the one hand, your crime reporting system is better, and then someone else will tell you that when people become discouraged, they don't report the crime, and then someone will change the statistical base that will affect the amount of crime. There are so many things that impact on it.

Then, as I said earlier, the statistic itself is often misleading. You can't just rely on statistics. To say that there is an increase in burglaries, it is astronomical in the city. Now why? You have to start to take a look at all of the things that impact on that. There is no easy solution. Again, I am not trying to quote statistically significant surveys and the correlations made. I am trying to tell you what I experienced based upon what I see.

Mr. JEFFORDS. I was addressing the question of the gentleman from Michigan—there seems to be more crime now than there used to be during the depression. At least my experience is a lot better.

Mr. CARVINO. More reported crime.

Mr. JEFFORDS. More reported crime than during the depression.

Mr. CARVINO. And that can work both ways. It depends on the city. It depends on a lot of things. There is a lot of variance.

Mr. JEFFORDS. I can't leave without one more comment. You noted that some youth end up either in jail or getting married. I wondered if maybe we ought to spend more time finding wives.

Mr. CARVINO. There is one study that indicated that there was a statistically significant correlation where, as high unemployment develops, juvenile crime tends to decrease, and the reason behind it was the fact that the fathers are now home supervising the kids.

Mr. HUGHES. Chief, I was trying to figure out what you meant by joining the bucket brigade. I am glad our colleague from Vermont straightened that out.

The gentleman from Texas is recognized for 5 minutes.

Mr. HALL. I have no questions.

Mr. HUGHES. Chief, in your statement you make a number of references to the need for society to provide meaningful opportunities and alternatives.

We had 2 young people in here yesterday whom we were very impressed with. In fact, my colleague from Texas was so impressed with one that he made, in essence, an offer of a scholarship to one of the Texas universities to the young lady. She was just delightful. I listened very attentively to her comments as to how she became involved in some meaningful things.

Then a young man, Richard Harmon, from California, testified about how he was a member of several gangs and how he eventually moved into the Job Corps. He said a couple of things that I have heard often over my rather short public career, maybe 15, 20 years, from young people whom I have dealt with and who either were on the fringe or who ended up in the grips of the law.

He said, first of all, that he didn't have an alternative for a long time. He knew one way of life, and peer pressure in his early years

was such that he moved into the gangs. That was the thing to do. It was the smart thing to do. And then he developed some sense of responsibility along the way. In both instances, these young people had parents who needed them, so there was a need to develop a sense of responsibility.

Then an alternative was provided. It happened to be the Job Corps. They found something else that was available to them that gave them a sense of responsibility and belonging. In essence, that is what you have said, really, in your statement at the bottom of page 11 when you talk about an alternative, something meaningful which contributes to skills, but more importantly, which builds self-worth and confidence.

I find that interesting because I couldn't agree with you more. I think that is what we are talking about. I can think, as my colleague from Michigan has alluded to, of individuals who found themselves in the grips of the law. They come from the best of homes and have had every opportunity, and yet they still think that they are smarter than everyone else. I have seen youngsters who have had opportunities who didn't take advantage of them, but then I have seen a lot of youngsters who, once given an opportunity and alternative, actually grabbed at that opportunity and went on to lead a productive life.

I suspect that what my colleague from Michigan was saying, in essence, is that he doesn't know where jobs fit into the entire formula, but that they are one of the ingredients that have to be provided as an alternative for those who want to lead a productive life, and I sense that that is what you have said.

Mr. CARVINO. Yes, I would agree with that.

Mr. HUGHES. Now, much attention has recently been focused on the apparent increase in the level of violence associated with crimes committed by juveniles. In your opinion, has the pattern of youth crime changed in the last 10 years?

Mr. CARVINO. I would like to go back maybe a little bit before that. In the 1950's I think we really saw the advent of the street gangs. Most of the time at that time I was a detective in New York, and we spent a good deal of time dealing with youth gangs.

Then the drug culture, beginning in the 1960's and running through the 1970's kind of did away with this gang culture because individuals had to meet their own personal needs in order to supply themselves with drugs. However, although I don't see this occurring in Racine, Wis., in my talks to others around the country, particularly my friends in New York, they tell me that in the last couple of years they are seeing a resurgence of the youth gangs, and they find that they are having this to deal with, and with the violent crime that is associated with it. It was there in the 1950's, and I think they are seeing it coming back.

I don't know what the 1980's will hold, but apparently that is going to be a problem that the police will have to deal with.

Mr. HUGHES. You have worked with young people and you have seen the criminal justice system operate in one of the largest cities in the world, New York City, and then in Racine, Wis. Were there any marked differences that you were able to discern or were there some common threads in your dealing with particular juvenile offenders?

Mr. CARVINO. Well, Racine is actually a microcosm of the large city because of a well diversified industrial base, there are job opportunities, and a lot of similar problems. It has a heterogeneous population. They do have a lot of the same problems that they have in the large cities.

However, it has been my experience that the trends are set on each coast and that you can really use that as a precursor. If you take a look at what is going on on the East Coast and the West Coast, from my perspective that will move into the central area of the country. So from my perspective, I am interested in what is going on in the larger cities on the coast because I feel ultimately we are going to be impacted by it.

For example, cocaine use now, I read recently, is really up, and they say perhaps it has even gone beyond marihuana in use. I find that hard to believe. I know that is not true where we reside. However, 4 years ago when I went out there we didn't have very much cocaine. Having worked in narcotics for so many years in New York, I now see it. I told them, "Hey, watch out; it's coming," because it is available, it is all over the place. And that is exactly what is happening.

Even to get out of the law enforcement end of it, when my kids went out there, they were wearing straight-leg jeans, which was the in thing in New York, and haircuts were getting shorter. We hit Racine and the haircuts were still long and they were wearing the bell-bottoms.

So what I am saying is yes, there would be common threads that would run through and you would have to go back and look to the precursor areas to make the determination on what you should be doing up the line to prevent a serious impact in your area.

Mr. HUGHES. Let me just make an observation in regards to the story on cocaine that appeared in the Post. I saw the same story, and I want to take a closer look and see if it was just an investigative reporter's attempt to try to put into perspective what is happening with cocaine.

What I question really is the use of statistics. I think, as has been pointed out time and time again, we have changed the method by which we have taken this data. We have two forms of statistics for measuring crime because so much crime is not reported. We have done a better job, I think, in trying to point out what the crime problem looks like in the last few years, but the crime survey and the crime statistics done by the FBI are altogether different if you take a look at them. The survey measures the unreported crime, and that gives you an even better understanding of what kind of crime is taking place.

So to take statistics over a period of time and draw from them conclusions to be put into concrete can, I think, give you problems. That is one of the reasons why I value your testimony, because you have given us a view of your first-hand experience, as did the mayor of Baltimore yesterday. He gave us some very fine testimony about his own personal experiences over some 26 years. I put a great deal of worth in the personal experiences of people like you who are in the trenches. You talk to people on a day-to-day basis, and you try to find out what makes people tick and why they do

certain things, and to me that is a lot more valuable than blind statistics.

Another thing I want to touch on just briefly is that many of the juvenile offenses are committed in gangs, in groups, and yet we measure crimes on an individual-by-individual basis. We even bring within those statistics kids that are even tangentially related to the offense.

In your judgment, does that perhaps distort some of the statistics that we see relative to juvenile offenses? Some suggest, for instance, the figures play a very significant role, upwards of 50 percent of crimes committed by juveniles.

Mr. CARVINO. I think it depends on the particular managerial style of the police department. For example, if you are working in a large city and there is a lot of crime, you don't tend to lock up the whole entourage. You have enough problems that basically from the patrolman's attitude on the street, he gets a situation, he is going to collar the guy that has committed the crime and bring him in and he doesn't want to bring everybody in.

Mr. HUGHES. What you are saying, it could just be the opposite.

Mr. CARVINO. In another city where the police perhaps have a little bit more time and are a little bit more rigid in their philosophy, they are going to take everything but the kitchen sink in and charge them. So it depends on the area that you are talking about. It depends on the particular managerial style and the philosophy of that particular law enforcement agency.

I don't think I could make a general statement in that area one way or another.

Mr. HUGHES. I understand. Let me just say that I don't know how significant a role jobs play, just like I don't know how much of a role social workers play in trying to reach that 8-year-old, where a job is not going to solve a problem, where parental guidance and some love and other things are needed. I don't know how much drug detoxification and alcohol detoxification programs help in reducing crime.

But I know just as God made green apples, and I don't have to have anybody come in here and cite me statistics to know that all those things help because they all bear upon what we all want. We all want to be loved. We all want to have some meaningful role in society. We all want to produce. We all want to feel that we are worth something, and we are frustrated when we have a feeling that we are not making a contribution. So obviously those who are at the very bottom rung of the socioeconomic ladder have to feel those frustrations. Chief, I know that you can't come back crying when we cut the Drug Enforcement Administration by 12 percent, and we cut the Coast Guard, our first line of defense for interdicting drugs in the Caribbean. We are interdicting less than 15 percent of the cocaine coming in and yet we are cutting the Coast Guard budget again. We are cutting the Bureau of Alcohol, Tobacco and Firearms now by 20 percent. The FBI is being cut almost \$50 million, so much that we are now saying to the States that we can't any longer process your applications from your agencies for fingerprint identification.

I know we can't come back crying that way. But even more importantly, I think that if we really are serious about the war on

crime, we have got to look at the areas of crime prevention, how we can get at the root causes of crime. And I think unemployment, like a lot of other factors, as my colleague from Michigan said, has a direct relationship to crime.

I think that that, in essence, is what you have testified to today, and I couldn't agree with you more. So thank you, Chief. We appreciate it.

Our next witness is Michael Smith, the director of the Vera Institute of Justice.

Accompanying Mr. Smith is Mr. Richard McGahay, also of the Vera Institute.

Mr. Smith has been the director of the Vera Institute of Justice since 1978. Prior to joining Vera, he was a Rhodes scholar and received his law degree from Harvard University.

Mr. Smith, we are delighted to have you and your associate with us today. We have your prepared statement which, without objection, will be made a part of the record and you may proceed in any way that you deem fit. We hope that you can summarize for us.

TESTIMONY OF MICHAEL E. SMITH, DIRECTOR, VERA INSTITUTE OF JUSTICE, ACCOMPANIED BY RICHARD MCGAHAY

Mr. SMITH. I will try to summarize. Thank you very much, Mr. Chairman.

I am glad to be here, in major part I think because of the frustrations and some of the hopes that come from this committee are ones I share.

What I would like to do really is try and present in rather simple terms a way of viewing employment within the context of crime controlling and unemployment in the context of crime producing factors that are at play in our society and over which presumably Congress or an agency like the Vera Institute is trying to exercise some manipulation, trying to manipulate things in order to control or avert crime.

The model we have for doing that is principally one, we think, of individual behavior, of trying to influence those people who are not certain about which way they are going. We did it with our criminal justice system through deterrents; that is, we try with the threat of punishments to influence people who might choose to commit crimes.

We have to acknowledge, I think, as well, and it is obviously so, there is evidence to support it, although it is hard sometimes to marshal that evidence in an overwhelming way, that the whole economic structure, for those who are rewarded by it, has an inducing effect of inducing conformity to the legitimate lifestyle and avoidance of crime and the cost of crime, which includes apprehension and punishment.

That general framework, I think, permits us to ask the question not really whether the devil makes work for idle hands—of course, it does, but not all idle hands are at the devil's disposal—but in order to ask the question whether a job can prevent crime. Yes, sometimes it will; sometimes it won't. It is at the margin. It is where people whose behavior we are worried about. Can we influence that behavior through employment strategies? Can we influ-

ence that behavior through deterrent strategies? Those are the questions.

So what I think I need to do is to say first something about the ambiguous evidence of efficacy in attempts principally financed by the Federal Government to aim employment strategies at that high-risk group of young, unemployed, by and large minority males living in the inner cities. The evidence of a direct link between the provision of a job program and a reduction of recidivism is ambiguous. The ambiguity causes profound disappointment because the expectation is of a strong relationship.

There are a couple of reasons, though, I think, important to understand why we find those ambiguities. The principal one that is of concern to me is that that group is extremely difficult to place in the labor market and to keep there. The variable is a job. If the program doesn't deliver a job it is rather unrealistic to expect through jobs the program will reduce recidivism. Often the jobs that are secured at the end of such a program are of extremely short duration or are dead-end jobs, and the job retention labor market is not there. When that is not there, again, we don't really expect to see jobs which are not held influencing subsequent behavior in crime, which leads us back, I think, to focus on how good are the programs.

What do we know, what can we learn, about the behavior with respect to the labor market of the people whose behavior we are trying to influence. It is complex.

The second thing I want to suggest is that the way that employment affects behavior, the ways, are both direct and indirect. We tend, all of us, to think of the direct ways. It is a tradeoff. Two competing income streams. I can get benefits by committing crime or I can get benefits from the job. In some of our research where we are doing ethnographic field work we get comments, the sharpest of which is, "When the street is good, I go to the street; when the job is good I go to the job."

It sort of confirms our expectations about the direct sort of tradeoffs that are there. But there are perhaps more powerful indirect relationships between employment and crime. They are through the other factors that you have been discussing that affect the formation of criminal careers, the family, the age at which families are formed, the stability of those families, the way neighborhoods are organized, and to what extent is there a market for stolen goods in the neighborhood. To what extent are schools seen in the neighborhood and used in the neighborhood as a training ground, as a way to get on into the legitimate economy and labor market?

To the extent that the labor market is or is perceived to be offering low-paying, unstable, dead-end jobs, the school is disadvantaged, and the school is one of those institutions that shapes behavior as well.

So the indirect ways in which the state of the economy, the availability of jobs and the quality of those jobs, the indirect way in which those things affect crime are at least equally as important.

In that kind of a structure, it is possible to look at a couple of other things which affect both the crime and the employment sides of the equation. One is age, another is the structure of the labor

market, and the third is the sort of mix of income-generating strategies in communities where most of the jobs are of a low-paying, dead-end nature where there is a decay of the economic opportunity, and so forth.

On the age side, it is worth noting that the frequency and severity of crime tends to drop off after the late teens and into the mid-twenties. That is the same period, sort of 15 or 21 or so, in which labor market behavior changes radically.

Paul Osterman at MIT uses a concept which is of some utility here. He suggests that during those years most youths, be they middle class or not, are really exploring various ways of living. Their work history is sporadic. They are exploring the possibilities for themselves. It is really not until the early or midtwenties that most people settle down. It is the same time at which family formation can occur under good circumstances as well.

The relationship between those two suggests some things about policy. To the extent that we are looking at very young people and trying to, through our policies and our programs and public expenditure, lock them into full-time careers in the labor market, we are going against the grain of the age there a little bit. We are also competing with some of those other institutions like schooling. So to some substantial extent the programs that are sensitive to those age variables are likely to be a bit more successful.

A broad-gaged program that shows ambiguous results really ought to be an incentive for us to better target, better match between the employment opportunities programs or training we are offering and the other kinds of things that we need to shore up if we are going to have an effect on behavior.

Labor market structure is rather worrisome. The job expansion is principally in this period of our economic history in the secondary labor market area, principally the low-paid, unskilled, no-career-ladder, dead-end kinds of jobs. It is now so commonplace that McDonald's employs 2½ times as many people as United States Steel. The entry-level manufacturing jobs are by and large disappearing from those areas where we are looking to get people into networks where jobs are part of the lifestyle and where job-finding networks are accessible to them.

Also, it is disturbing, I think, from the perspective of people trying to manipulate the variables that the job creation is occurring really very far removed from our policy instruments. Again, more than half, I think, perhaps two-thirds of the new jobs created in the 1970's were created by firms employing 20 or less people. Those are very difficult variables to control from a public policy point of view. Those jobs, too, those firms, are unstable. Many of them go out of business. They don't have career ladders to speak of. And yet that is where the job opportunities are.

So again, we have got to find ways to link unemployed teenagers to those kinds of economic phenomena because that is where the action is.

Finally, I wanted to come back in a way to what I started with; that is, if we are trying to control crime, and we have a notion about human beings which is a perfectly sensible and sound notion, responding to rewards and punishments, if we abandon, if we flee from an employment strategy in our mix of strategies, we put an

unbearable burden on our punitive capacity, on the negative side of the deterrence equation.

First of all, deterrents through punishment assume an ability to deliver that threat. With the apprehension rate for street crime as low as it is, and it is very low, very low, it is far lower than the clearance rate suggests for a variety of reasons that are technical we could talk about, the risk of being apprehended is very low. The amount of punitive resource we need in order to influence that individual's decision is going to be very large and very costly.

That is compounded, it seems to me, when there is no opportunity cost for a kid, for a young adult, contemplating the commission of a crime. If he has no stake in legitimate society, no job and no prospect of a job, where his environment, that is, those other shaping institutions are negatively affected by the economic conditions and the quality and quantity of jobs around, his behavior is far more difficult to influence through a punitive threat. We need to give him something to lose as well as to threaten him with a difficult-to-deliver negative sanction.

So it seems to me employment and employment programs have a role to play and, therefore, so does the Government, in controlling crime in a direct way, and also in an indirect way, but also as part of the combination of strategies, two of which only would be the sort of deterrents through punishment and inducement through employment. But that crime-control strategy has a better prospect of working than one which abandons either of those two variables.

That is my summary, and I will be happy to respond to any questions you may have.

[Mr. Smith's full statement follows:]

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Statement of Michael E. Smith
Director of the Vera Institute of Justice
before the
Subcommittee on Crime
of the House Committee of the Judiciary
and the
Subcommittee on Employment Opportunities
of the House Committee on Education and Labor
October 28, 1981

Does the Devil make work for idle hands? Is a job an antidote to crime? Always? Ever? Does it matter what kind of job it is? Are some kinds of crime easier than others to control through an employment strategy? There are, as I will try to suggest, various relationships between employment and crime. Some of these relationships are obvious, but not as powerful as commonly thought; others are complex but, it appears to us, more important. All of them suggest that a crime control policy that fails to take account of employment variables will miss the mark. From my perspective, therefore, these joint hearings are important, and I am grateful for this opportunity to appear before you.

Let me explain briefly the nature of the Vera Institute's involvement in this field; we conduct action programs to test direct crime-averting effects of employment and we study the vital but indirect social and cultural factors that affect both criminality and employment. Our current course of research on relationships between employment and

crime, sponsored by the Research Agreements Program of the National Institute of Justice, got underway in 1977. In addition to publication of Employment and Crime: A Review of Theories and Research, which has been shared with interested members of the committee staffs, we are pursuing two research strategies. First, for a sample of 900 Brooklyn Criminal Court defendants, we have been collecting detailed information on employment and arrest history. Second, in three "high-risk" Brooklyn neighborhoods, we have fielded ethnographic researchers to make an intimate study, over eighteen months, of the development of criminal and of legitimate lifestyles among the youth there. From this effort, we hope to construct a model of employment and crime that accounts for youths' simultaneous exploration of both illegal and legal opportunities and that accounts for the widespread lessening of street crime as youths move from their late teens to their early and mid-twenties. To understand these phenomena better, and to ground our understanding in empirical study of this kind, should make it possible to devise more effective policies and programs for taking advantage of the crime-averting potential of employment.

This is of considerable importance to Vera, because our programmatic efforts in this field stretch back to 1961 and continue today. Vera, in the Manhattan Bail Project, was among the first to recognize the relevance of employment

history and current job status to the pre-trial release or detention of persons accused of crime and to incorporate that element into a system for identifying the better risks for release on recognisance. In 1967, we designed and launched one of the two initial criminal case diversion programs, in which vocational development and employment services were made available to selected cases diverted from criminal process. In 1972, we designed (and later evaluated) the first supported work program for ex-addicts and ex-offenders; the Wildcat Services Corporation. We are presently operating a large employment program tailored to the immediate post-release income needs of persons returning to New York City from federal, state and local prisons and jails. And we are presently conducting a research and demonstration project, with funding from the Department of Labor, designed to assess the impact of different employment program models on the earnings, labor market experiences and criminal justice involvement of out-of-school, unemployed 16-to 21-year-old youth in New York, in Liberty City, Miami, and in Albuquerque, New Mexico.

Our own efforts to aim effective employment programs at high-risk populations, and the efforts inspired by statutes born here, have -- I think -- been poorly served by persistent oversimplification of the relationships that actually exist between employment and crime. Not only have the oversimplifications distorted the content and techniques of

employment programs, but they have encouraged unrealistic expectations about programs and expenditures in both the manpower and crime control fields. Profound disappointment and policy confusion have now inspired a general flight from the idea that expanding the economic opportunities for the poor is essential to our effort to reduce crime. Increasingly, federal and state strategies for crime control emphasize deterrence through punishment and exclude jobs and economic development. Although my remarks today will focus on the complexity of the employment variables, before I conclude I will return to the deterrence-through-punishment strategy because it, too, rests on an oversimplified view of human behavior; the oversimplifications and unrealistic expectations for deterrence are quite similar to those on the employment side, and they are likely to lead, after substantial expenditure on increasing the punitive capacity of our criminal justice systems, to the same kind of disappointment and policy confusion.

I. Employment and Crime: Assumptions and Oversimplifications

I will speak of relationships between "employment" and crime rather than of the narrower set of relationships between "unemployment" and crime. I do this to emphasize our belief that the policy is too narrow, takes too little advantage of the crime-averting potential of employment, if it rests on an assumption that any sort of employment will have an impact (or the same impact) on all those whose criminal behavior might be curtailed by participation in the labor market. Similarly, I will speak of direct relationships between employment and crime, and of indirect relationships.

A direct relationship exists if crime and employment operate as different and competing sources of income -- more of the latter should result in less of the former. The simple notion is that the individual trades off the two income-generating activities, depending on how their relative benefits appear to him. That the notion is simple does not mean it is wrong. It seems to explain the behavior of some individuals, and evidence of this relationship can be found in various places. For example, the District of Columbia Bail Agency reports that 46% of persons prosecuted in 1975 were unemployed, compared to a District-wide rate of 7.6%. Studies linking unemployment rates and crime rates at a national or regional level often find a correlation between the two rates. Employment programs serving ex-offenders have also often found this direct link. In the Transitional

Aid to Released Prisoners experiment (TARP), increased employment was found to be strongly associated with lowered property and non-property crime. Similar findings emerged from the Vera Institute's evaluation of the original supported work experiment. At the individual level, from the field interviews conducted by our ethnographic researchers, subjects have consistently described ways in which their employment experiences have affected their criminal behavior, and vice-versa.

Without attempting to deny the importance of direct links between labor market participation and reduction of crime, I want to emphasize the myriad indirect relationships; crime arises from and is sensitive to many factors and processes which are, in turn, influenced by employment variables. These indirect relationships include the impact of eroding economic opportunities on the whole range of institutions that shape individual behavior: family life, schooling, neighborhood stability. For example, improved employment opportunities and examples of successful labor market participation may directly affect the age at which "high-risk" males form families, and the stability (economic and otherwise) of the families they form; the stability of the family, in turn, affects the type and frequency of criminal behavior. In a process such as this, enhanced employment contributes to reduced criminality, but not through a direct, income-tradeoff effect.

II. Direct and Indirect Relationships Between Employment and Crime.

Perhaps the strongest support for the notion of a direct and unambiguous link between employment and crime comes from the very high level of unemployment among the nation's incarcerated offenders. These rates of unemployment -- ranging between 40 and 60 percent at the time of the offense -- show at least, severe problems in the labor market. But even at this level, there is complexity. In pilot interviews with jailed misdemeanants, conducted by Vera about three years ago, we discovered a multitude of ties between employment experiences and criminality. Some offenders shifted the type and frequency of their crime depending on whether or not they were working. During periods of employment, they would commit less time-consuming crimes, or fewer income-generating crimes. Some offenders appeared to use a job as a "cover" in order to lessen police suspicion concerning their activities: for example, drug dealers are more easily able to explain large amounts of cash in their pockets if they can point to employment. Some offenders used employers as the chief victims for their crimes, stealing from the job and in some cases carrying on gambling and drug schemes at the work site.

Of course, many offenders illustrated the simple, direct relationship between employment and crime: they engaged in crime after loss of a job or after failure to locate and secure satisfactory employment.

But our report of their interviews and other research also disclose a host of non-employment variables that contributed in indirect ways both to the employment difficulties and to the criminal behavior. The quantity and quality of jobs available to various groups living together in local neighborhoods influence the ways that people form households, regulate public behavior, and use public services such as schools, welfare, police, and social programs. The resulting neighborhood atmosphere shapes the incentives for residents to engage or not engage in income-oriented crime.

In our research in several of New York's neighborhoods, we have found quite distinct relationships between crime and employment in different locales. One group of young men whom we have studied, now about twenty years old, grew up together in one of these neighborhoods. They are superficially alike, in that all are school dropouts who have suffered substantial unemployment; and each has committed numerous burglaries and robberies. Most have been arrested, have experienced short periods of incarceration, and are now on probation. But now consider these differences:

- After he was arrested for the first time, one young man got his first job when his father took him to work in the restaurant where the father had washed dishes for over twenty years. He next worked for nearly a year, his longest job, in a demolition program sponsored by a community agency. The program, however, was able to place fewer than five percent of its participants in the private sector by the time it ended. He has been only sporadically employed since then, though he had good manual

skills and has consistently sought work. He still lives with his parents. His girlfriend is in school taking secretarial courses that appear to promise her ample future employment opportunity. He still commits an occasional crime but is much less active than previously.

- Another individual was an active car thief for about a year until arrested and placed on probation. He dropped out of school at sixteen to work in a factory and pay off family debts. He lives with his mother who receives disability payments. He currently works at a maintenance job and has recently enrolled in a night school automotive program. He no longer steals cars but does operate as a middle man in the neighborhood's busy but loosely organized auto theft networks. His career goal is to become a licensed auto mechanic.
- Still another member of this group has been criminally inactive since he was put on probation at eighteen. In order to get probation, he took a job in a factory to demonstrate employment to the sentencing judge. He remained at that job for six months, during which time he lived with a woman on welfare and her child. Prior to the factory job his only employment had been provided by a community employment program. He has since moved back in with his parents and has had a series of office jobs of short duration.
- Another, who has never been arrested, actually supported a woman and child for a few months with income from robbery and burglary. He now works in a factory and lives by himself. His current crimes are relatively petty on-the-job thefts.

These short case summaries show that many factors influence an individual's needs for income and his opportunities to gain income by engaging in employment or in crime. Both the criminal justice system and employment programs played a significant role in controlling the criminal activity of this group, but family connections to jobs, the school system's apparent ability to provide better links to the labor market for females than for males, local markets for stolen goods, the desire to seek occasional or steady income depending on family status and school involvements, and other factors in the local environment also have played important roles.

III. Understanding the Relationships

What main factors can we isolate to make sense of these direct and indirect employment and crime relationships? And how do these factors better inform our search for effective public policy? I want to discuss three important factors: age, labor market structure, and the income-seeking strategies of underemployed people.

Our more recent research indicates that the various linkages between crime and employment bear a strong relationship to age. For example, teenage car thieves may quit stealing and turn to stripping and marketing of stolen auto parts as they get older. There is general moderation in frequency and severity of crimes with increasing age, although the causal relationship between age, crime and social stability are imperfectly understood. For many, criminal activity ceases altogether by the mid-twenties.

Age is also an important factor in employment. Labor market behavior changes dramatically from age 15 to age 24. Younger workers are often in what Paul Osterman of Boston University has called a "moratorium" labor market state. Work is exploratory and somewhat sporadic. Younger workers tend to be "target earners," aiming at a particular short-term target income rather than a steady long-term income stream. The quality of the jobs available to young workers reflects and reinforces this "moratorium." Firms employing youth offer jobs that are generally low paying and short term, without substantial promise of later

upward mobility. The nature of youth jobs is in part accounted for by the preferences and behavior of youths themselves. But employers also manifest preferences not to hire very young workers, further limiting their opportunities.

The issue of job quality raises a second critical dimension, in addition to age. Some labor economists have described a "dual" or "segmented" labor market consisting of "primary" jobs, which have good pay, prospects for advancement, benefits and stability, and "secondary" jobs, which are low-paying, unskilled, and dead-end. It is these secondary jobs which are expanding in the U.S. economy.

Changes in the U.S. labor market during the 1970's highlight this problem. The employment expansion of the 1970's was concentrated in sectors which have minimal skill requirements, unstable hours, few prospects for advancement and low pay. For example, McDonald's now employs almost two and one-half times as many workers as U.S. Steel. Entry level blue collar manufacturing jobs are disappearing from the economy, especially in older urban areas such as New York. The suburbanization of employment also adds to the problems of inner city male youth. And many of the new urban jobs are held mainly by women, concentrated in sectors such as health care, food service, clerical work and cleaning.

So at a time when there are more unemployed young males -- especially minorities -- in declining urban areas, the traditional labor market routes used by their fathers or older brothers are contracting. Policies which continue to view their

employment problem as no more than a difficulty in obtaining some sort of job are ignoring these important structural changes. Many underemployed youth work at secondary jobs, although they often face stiff competition for them. But changes in overall job structure make it less likely that these jobs will lead to stable employment careers even for those who secure them.

The final factor to be emphasized is the role of non-employment income strategies. Many of the urban poor supplement low-paying secondary employment with a variety of other income sources: government transfers, support from family and friends, off-the-books labor, barter and crime. A strict dichotomy between unemployment and employment may be misleading. We should instead focus on underemployment, and how people actually cope with the world of intermittent, low-paying secondary employment, if we hope to understand the variety of employment and crime relationships.

Thus, research on poor urban neighborhoods reveals employment to be but one element in the income stream of many households. The injection of a few low-level, temporary jobs into such a community is unlikely to transform this structure of opportunities, though some individuals can diminish their reliance on criminal income. This mix of income strategies affects and is affected by such factors as patterns of staying in school, household formation and neighborhood stability. In short, a whole host of factors, some only indirectly related to employment and crime, affect and are affected by underemployment. These broader social factors in turn have important impacts on both employment and crime, beyond simply affecting a trade-off between crime and employment as sources of income.

IV. Understanding the Evidence from Employment Programs

Given this variety of direct and indirect relationships between employment and crime, and the diverse impacts of age, labor market structure and mixed income strategies, it is not surprising that when employment programs for crime groups are evaluated, the results are ambiguous with respect to impact on arrest rates.

In addition to the confounding variables affecting employment-crime relationships for participants in employment programs, sketched above, we should emphasize that many employment program evaluations show no impact on crime because they show no impact on employment. Where the hypothesis is that entry into and retention in the labor market will reduce crime, it is not surprising to find recidivism unaffected when the target group fails to get jobs or to retain them. While we have precious little evidence from these program evaluations that the programs have materially affected crime, it is clearly invalid to infer from these results that improved employment experiences (if the programs could achieve that) would not reduce the incidence of criminal behavior.

The effectiveness of employment programs for participants depends heavily on individual, social and structural economic factors. This suggests that, in the future, a better matching of programs to specific population groups and conditions of the local economy could lead to increased

program effectiveness. For example, about half of property arrests are of male youths, 15 to 19 years of age. Since this is a group that is or ought to be heavily involved in schooling and which is tied to the income flow of the parental household, their employment and income needs differ markedly from those of older people seeking employment in order to support their own households.

Programs for this young, high-crime committing group should perhaps not be judged on their ability to provide full-time stable employment. Part-time work that does not compete with schooling but provides an income alternative to crime and serves as part of a long-range socialization into the labor market might be a more realistic program goal for this group. Recent evidence from evaluations of the Department of Labor's Youth Incentives Entitlement efforts points to promising results from using part-time employment to motivate school-age youths to remain in or return to school.

On the other hand, a temporary part-time program which is appropriate for school-age teens might not be appropriate for older workers and ex-offenders. In their mid to late 20's, most of this group has different income and employment needs than teenagers. Often removed from effective job networks, and carrying the stigma of a criminal record, this group might need direct links to primary job networks, perhaps emphasizing direct on-the-job-training. Public

service employment may be an important work sphere for this group. The national supported work demonstration has shown encouraging results for some hard-to-employ groups with high rates of arrest, such as ex-addicts.

There are important reasons for continuing to believe that expanded economic opportunities, including enhanced employment and earning, should continue as a significant element in a crime control strategy. The very program evaluations that have produced mixed over-all results have also pointed to the strong association between employment (when it is secured) and reduced crime and recidivism. Participants who stay in programs have fewer arrests than those who drop-out, and members of untreated control groups who find employment on their own have fewer arrests than those who do not work. In other words, employment programs may act like a "litmus test," identifying participants who can use the program's particular offer of work as a means for withdrawing from criminal behavior. These successes may make this lifestyle shift not just because of the monetary rewards of work in or through the program, but also because, as individuals, they have been able to harness their own motivation, support from family, available post-program job opportunities and other resources to build relatively stable labor market careers. The challenge facing us is to learn more about how employment opportunities can be improved through programmatic interventions and also how we can identify, magnify, and capitalize on the innate strengths and personal resources that participants bring to employment programs.

V. The Policy Challenge of Labor Market Trends.

My belief that economic opportunities should continue as an important part of a crime control strategy does not mean that we can merely replicate the programs of the past. I think important changes are taking place in the labor market and the economy, changes that are producing new challenges for policy.

I have briefly touched on some of those changes, especially the growing proportion of jobs that are jobs of the "secondary" kind. While these jobs are growing as a proportion of all jobs, it must also be noted that the overall number of jobs available to the urban poor is seriously insufficient. Many of the new jobs are located outside of the decaying urban cores where many poor youth live. Also, the number of poor urban youth continues to grow, and their unemployment problems continue at historically high levels.

It is also important to recognize who creates new jobs. David Birch of M.I.T. points out that between 1969 and 1976, two-thirds of net new jobs in the American economy were created by firms with twenty or fewer employees. These small businesses are not likely to have extensive internal promotion ladders and job benefits and are much more prone to lay off workers. Small businesses have higher failure rates and lower profit margins, and do not provide many training opportunities or upwardly mobile jobs. These small

employers are also harder to reach with traditional economic policies.

So both job quantity and quality are diminishing in cities, leading to more unstable labor market careers for young urban workers. Large numbers of poor youth compete for secondary jobs, and it is likely that some proportion, perhaps a growing proportion of these youth will be shut out of the labor market altogether. Manufacturing employment, a traditional labor market route for young urban males, is shrinking, making traditional job acquisition networks less useful -- these youth lack access to other networks which might lead to other forms of primary employment.

Thus, I foresee a persistent problem of underemployment for poor, urban male youth, precisely those most at risk of engaging in street crime. Since many of these economic trends -- secondary job creation, suburbanization of employment, small business volatility -- are tied to far-reaching changes in the private economy, it is unlikely that the private sector will solve these problems by itself. There will be a continued, if not a growing need, for government involvement in future policy efforts.

Because the labor market is changing, the formulation of future policy will require careful analysis of local labor markets and the development of strategies to address several areas of need. Among them are:

- The need to design programs, aimed at school-age youth, which supplement education instead of trying to place these youngsters into permanent adult labor market careers;
- The need to revitalize decaying central cities, for the dual purpose of providing employment and creating a climate where new business can arise and expand;
- The need to devise ways of more effectively linking small employers and the underemployed, since small employers create most new jobs;
- The need to enhance the noneconomic dimensions of employment, so that legitimate jobs will be more attractive and satisfying, increasing job retention;
- The need to augment stability for those in the secondary labor market, both to aid poor individuals and to help stabilize the communities and neighborhoods where they live.

I do not doubt that government will continue to be a necessary partner in developing and understanding policies and programs to expand and enhance employment for the urban poor within the context of these economic trends.

VI. The Pitfalls of Excessive Reliance on Deterrence Through Punishment.

The control of crime will require us to enhance the deterrent capacity of the criminal justice system even as we sharpen our policies and programs designed to improve the economic circumstances of the urban poor. However, we must acknowledge that the potential impact of a deterrence strategy grounded in punishment alone must be severely limited. Realizing the potential of deterrence is likely to prove just as difficult and at least as costly as our recent efforts to reduce crime directly through employment programs for those involved with the criminal justice system.

The current shift to the punishment side of the equation is neither a surprising nor a particularly radical shift in thought. Almost everyone agrees that human behavior is somehow responsive to rewards and punishments, incentives and disincentives. Indeed, that belief has supported the expectation that criminal behavior would decline if the economic experiences of the urban poor were improved. Policies and programs derived from this assumption have emphasized the reward or incentive side of the equation. It is not surprising that we would attempt to establish control by working the other side of the equation; that is, by increasing the certainty and severity of punishments.

Since we have already suffered through the consequences of oversimplifying the economic opportunity side of the equation, we should be careful not to re-create those consequences by

accepting oversimplified assumptions and unrealistic expectations on the deterrence side. For example, just as employment programs often fail to work any actual improvement in the labor market status of those at whom they are aimed, the police are not often able to arrest the individual whose recent robbery makes us anxious to have him punished. Clearance rates for most property offenses, and even for robbery are shockingly low; the risk of being apprehended for a particular predatory act is lower still. (Clearance rates, because they are built on data that credit a new arrest with the prior unsolved crimes attributable to the suspect, are not a fair measure of the risk of apprehension.)

With the risk of apprehension so very low, the punitive resources that we would have to build, if our punishments are going to influence many individual decisions to commit or not commit a street crime, are likely to be far in excess of current projections. This difficulty is compounded by the lack of opportunity cost of crime for the inner-city youth who lacks a stake in the future, who is unemployed and perceives no prospect of gain through employment. Those of us who generate reasoned policies for deterring crime do our own cost/benefit analysis to find evidence that it will work. Of course we fear punishment, even if the risk of apprehension is low. But we are not likely to risk our jobs or our income--our stake in the legitimate life-style that is the source or supporting structure for most of our benefits. If we are to deter the street crime that so threatens us we would be foolish, in my view, not to work hard to increase the benefits of non-crime to those among the urban, poor youth who at present perceive little to lose from crime. In my view, pursuit of an effective deterrence policy leads inexorably back to the need to develop and pursue employment strategies.

VII. Summary and Conclusion

I have identified several themes which I feel are essential to a fuller understanding of the relationships between economic status and street crime. Research of the past decade, whether based on aggregate statistics, results from employment programs, or direct observation, tempers our hopes for a direct and easily manipulable pattern relating crime and employment. Yet this tempered view does not hold that no relationship exists between economic status and crime; it argues instead that the relationships are various and are indirect as well as direct.

I have suggested that good policy and program in this field requires us to examine the nature of the direct and the indirect links between employment opportunities and crime and to assess the quantity and quality of jobs in the labor market, the degree to which entry-level employment is linked to a future career-ladder, the social supports afforded employment in local neighborhoods, and the wage levels and duration of jobs available either in programs or after program participation.

Ambiguous results from labor market programs targetted at high-crime groups, taken as a whole, disguise important clues to more effective policy and program. Policy in the future will have to consider careful targeting of employment efforts, based on the age and criminal behavior of different populations, their social circumstances, including

family and school status, and the structure of labor markets in which they move. Mixed results from broadly conceived programs should encourage us to aim better, and should remind us to have realistic expectations about what programs can and cannot do.

But because program efforts show mixed results, and because manipulating employment and crime relationships to achieve policy objectives requires a richer and more detailed knowledge base, some people have drawn a false inference. They infer that program efforts cannot aid at all in crime reduction, or that there is no relationship between economic status and crime, or that a continued governmental role is unnecessary. These inferences are invalid, and I think they are demonstrably false. Mixed results do not equal no results; rich and complex relationships do not mean no relationship.

Very often, those who conclude that programs have failed suggest that deterrence efforts can substantially reduce crime. I have suggested that while attention should be given to enhancing the deterrent impact of the criminal justice system, we should be careful to avoid false and misleading assumptions about how that objective can be accomplished and at what cost, and we should not lose sight of the assist any deterrence strategy is likely to get from an improvement in the labor market prospects of those whose behavior we are trying to control.

Mr. HUGHES. Thank you. The gentleman from California.

Mr. HAWKINS. Do I get from what you have said that both the deterrents and punishment, plus the job, is the combination that you would recommend as a means of reducing crime?

Mr. SMITH. Well, there are other things that one has got to look at as well, but certainly a crime-control strategy which ignores one of the other of those—

Mr. HAWKINS. I am assuming that is one of the two, not the only one, and certainly that seems to be the thrust of what you are saying.

Now, with respect to the job aspect of it, what you are suggesting is a type of youth program that targets at the early age, that is, between let us say 16 and 21, with a job opportunity at that age level, and if so, what type of a job opportunity are you talking about? Would that be a training job opportunity, the possibility of career ladders, or would it be the McDonald type of job that you are talking about?

Mr. SMITH. I think we do have to make such distinctions. I am suggesting that most of the employment programs that have been offered, not all but most, do offer the secondary labor market types of jobs. It seems to me that those types of jobs, offered in ways which don't compete with schooling, for example, do make some sense for the younger, the moratorium years.

But perhaps importantly, they don't make so much sense for the older, particularly the ex-offender. Now we are talking about the economic needs of a higher dimension. If we want to encourage family formation, for example, we have got to talk about some stability to that employment, and so forth.

So my suggestion is not so much that we shouldn't worry about the quality of the jobs being offered to youths as that, to the extent that we only have those kinds of jobs to offer, that is a more sensible place to be doing it than with the older group. But for sure, the other piece of that is, if we are talking about a neighborhood-targeted strategy to have employment, gainful working experience is available for kids who are exploring the various ways in which they can live, that is important. It has got to be terribly important.

Mr. HAWKINS. What I was really trying to ascertain was whether or not the type of employment at that level, in order to be attractive, had to be something which offered to that individual some relationship to a career. Would that individual, in terms of both deterrents as well as employment, be attracted by a very low-grade, menial, dead-end type of job that offered no career possibility? In other words, how attractive do we make that phase of it in order to accomplish the end that you suggested.

Mr. SMITH. I think it is hard to answer simply, and I will try to summarize my view of it.

Individuals vary. Now, a lot of 16-, 17-, 18-year-old kids, including myself at that age, for example, in terms of gainful employment, we were looking for money. The reason we were working was because we had a consumption goal. We wanted to take the girl out to the movies, something we wanted to do with money. We needed a source of income, and a job was the source of income. We weren't looking at it as a career.

That is true of an awful lot of people. It is not true of everybody; it is true of a lot of people. So that to some extent I am trying to suggest that you don't have to try and characterize it or make it into a career-ladder experience, and indeed if you do, to some extent some of those people will be turning away. They don't want the 7-day-a-week endless commitment. They want to work today and Friday, and if we don't give them opportunities to work today and Friday, then we don't really give them an opportunity to work.

To the extent that in some of these communities those casual labor jobs of that kind have disappeared, that is a problem. When we come back into those communities and targeted very young people, programs which assume a career, we are really missing the nature of the need they perceive. We need a mix of things.

The other side of that, though, is that if all we did was to offer employment of that kind, if the only lesson we were giving was that that is what employment is, that is what jobs are, we are not going to work in the long term at all. It is really one of a number of competing income sources.

So in that very same community it seemed to me a proper strategy would be considering both economic development, that is, what kinds and qualities of jobs are there going to be there tomorrow, next year, but also there better be some sense in the community, in the family, that for older workers there is a career, there is stability, there are benefits.

That is the link, in a way. I am working because that is what I need to do in order to make the money for what I want to do. But working isn't just that. Working is also what Dad does, or Uncle Joe, or some other guy who, when I really need a job, can go get me one, can link me up with somebody who needs a worker.

Mr. HAWKINS. Thank you.

Mr. HUGHES. The gentleman from Michigan?

Mr. SAWYER. I don't have any questions.

Mr. HUGHES. The gentleman from Texas.

Mr. HALL. You made an interesting statement just then that some of these people desire to work today and Friday and that we must give them an opportunity to work today and Friday, as you phrase it. Well, now, pray tell me what type of an employer who expects to stay in business for over a very short period of time is going to have a work force made up of that type and caliber of people, and why should we encourage that sort of thing?

Mr. SMITH. There is a fairly large, rather invisible segment of our labor market which we call the casual labor market, which is precisely that. A guy gets delivery of a shipment on Monday and he needs a crew of 5 to unload and store the shipment. A fellow has to move a piano. He drives a truck down to a corner where he can pick up some casual labor because he needs 5 guys to help him move that piano.

There is quite a bit of employment of that kind. I am not talking about adults; I am talking about kids, teenagers, for whom the potential sources of income are limited if there aren't opportunities to work—I don't mean just today and Friday—but this week, this summer, not through the year, I am going back to school.

The notion that the only kinds of jobs that are legitimate jobs are entry-level jobs at IBM or U.S. Steel or something like that

really doesn't work, partly because those jobs aren't available in those communities, but partly, too, because for the very young, for teenagers, their income needs don't come that way. Whatever their class, they are not likely to be thinking career at that age. They are likely to be thinking income need.

But there are employers who do employ that way. Indeed, we have structured programs in New York of just that kind to try and find out to what extent that is responsive, to what extent it does get hard work for that period of time in which income is important.

Mr. HALL. So you must have a built-up labor force that is usually available for that type of, I would call it piecemeal work?

Mr. SMITH. Yes. And we did that in part because the casual labor market, although it exists and is used by a lot of people, is very exploitive in a number of places and is somewhat inaccessible. It is difficult to find.

An easy example is this, and one of the principal problems we confronted, the shape-up. You had to make yourself available for day labor. You go down to the corner of the Bowery and 8th Street and wait for a truck to come by at 5:30 in the morning. That may be missing some of the people who would take advantage of it if it were available. So we set up a shape-up by telephone and computer. We have 15 worksites around the city every day, and people who call in before 8:30 and want to work that day we will assign to the worksite nearest their home and they show up there.

It seems to me to have some obvious benefits in producing a legitimate income stream in return for hard work for people who want to do it. We won't let them do it for very long, though, because we are dealing in that case with people who are in their early twenty's, and day labor really isn't going to satisfy the income needs or be an appropriate employment incentive, as it were, for very long.

Mr. HALL. In the work that you do, and I take it that it is done primarily in the New York area—

Mr. SMITH. Also, we have some work in Liberty City, Miami, and Albuquerque.

Mr. HALL. All right. Are you running more and more into the drug culture as it relates to crime?

Mr. SMITH. Yes, but not as much more as some of the people in my jurisdiction would suggest. The problems we run into are many and related. There are an awful lot of people coming through the criminal court, for example, in New York City who have some kind of drug problem or alcohol problem, or both.

Mr. HALL. That contributed to their problem?

Mr. SMITH. It contributed to their problem in a way where it is a symptom of the set of problems, one piece of which is that they persist in shoplifting, for example. They are living off stealing clothes and selling them, and stuff like that. It is not so much that the drug habit or the introduction to the drug culture is inducing the decline. It is part of the lifestyle which, when drugs are available, does something else. It makes it hard for me to do my work; that is, when drugs are available, it is much more difficult to work with people. It is much more difficult to get them to show up for ap-

pointments for jobs. It is very much more difficult to effectively punish them except by locking them up.

Mr. HALL. Well, in the work that you are in, if you could write the scenario that you think would best eliminate or have a tremendous reduction in crime, having worked in the Miami area, the New York City area, what do you think would be the most important contribution you could make to that scenario to decrease crime in all areas?

Mr. SMITH. Well, if you give me only one thing, it would be to have more and different police patrols in the streets because that is where the crime is.

If you give me two things, I would have more and different police patrols in the streets, and I would be using a lot of energy on high-quality, carefully targeted, limited to their targets, employment programs to work both sides of that equation, to make the threat of apprehension substantially high enough to make that risk one that people aren't so likely to take and to make the benefits of doing non-crimes substantially greater.

Mr. HALL. I talked to a Federal judge on the Fifth Circuit 6 weeks ago who tells me that of all of the criminal cases he tries, narcotic cases and that sort of thing, that 90 percent of the narcotics traffic originates in Colombia, and you being in the Miami area, I am sure you are cognizant of this fact.

It seems to me that there is no way in the world, and not taking away from what you have just said, there is no way in the world to try to decrease or cut into crime without cutting into the unlimited drug trafficking that is going on now between this country and South America.

Would it not be a fair statement to say that if you could curtail—I don't think we will ever stop it, but if we could curtail it to a great degree—would that not maybe eliminate the need to have so much police activity on the streets of New York City or Miami or wherever, if the root cause could be eliminated or diminished tremendously?

Mr. SMITH. I think not. We are all wizards, you know, in this game, but I tend to think in terms of the consumer side of that; that drug use and drug dependency are parts of a larger picture, each piece of which we want to try and manipulate. Some are easier to get hold of than others.

There is no reason not to worry about the supply of drugs. We should be worried about that. But it seems to me that it is at least as dangerous, and maybe more so, to think that if we make substantial changes in that area that we are going to have a substantial impact on crime.

My own view still is with respect to crime which is in the streets, which is of all different kinds, which is by no means exclusively related to drug addiction, that our principal variable is the police end. Unfortunately, it has that air of obvious certainty from which all remedies suffer. But that is my view. I think that is so, and I think the drug use is, of course—they are all interrelated. The drug use is to some very substantial extent, at least as a debilitating influence on life, and also is influenced by employment. They work on each other, but that is true, too.

Mr. HUGHES. The gentleman from Wisconsin, Mr. Petri?

Mr. PETRI. No questions.

Mr. SAWYER. Will the gentleman yield to me?

Mr. HUGHES. Yes. The gentleman from Michigan.

Mr. SAWYER. I have just one question. You advocate more and different police patrols. It is easy for me to perceive what you mean by "more," but what do you mean by "different"?

Mr. SMITH. Well, in most of the jurisdictions that I know reasonably well, including New York where we do most of our work is fine with the police department, a major dilemma from a crime-control perspective is that patrol resources these days, and for some time, are controlled in major part through the radio dispatch system. We have officers in cars going from one call to another. They start their tour with a backlog of calls and end the tour with a backlog of calls.

By no means are all the patrol resources consumed that way, but the great bulk of them are. They are committed to that function. To the extent that we have foot patrolmen, not entirely but to a very substantial part it is that, it is basically walking radio cars. They are responding to calls for service coming through a central dispatch.

The assignment of patrol officers to sectors rotates. This is partly a function of collective bargaining, partly a function of limited resources, and so forth. The use of intelligence about crime conditions, local conditions, and so forth, as a means of directing patrol forces is very limited. The opportunity for it is limited, the techniques for doing so are quite limited, and so forth.

One of the results of that is, in my view, that if we look at the persons arrested for robbery, say, a crime of great importance, a third, even a little more than a third of those robbery arrests, felony robbery arrests, are made in cases where the complainant, the victim, is somebody who has some kind of relationship, personal or economic, with the defendant. Why is that? That is not what is going on on the street, but that is what is coming into the courts. Why is that? That is because in those cases the victim can tell the police officer the name and often the address of the person to be arrested so that a third of those arrests are for crimes which may be important but they are not the street crimes that we think we are trying to control through the robbery arrest that our patrol force makes.

That, in turn, leads me to say, and I think I am right, that the police deployment of resources and knowledge about how to deploy resources to catch predatory robbers is rather more limited than we like to admit. We don't know much about how to do it, and as a result, in New York I think the clearance rate for robbery is about 15 percent. It is a third of those that are this aberrational kind. It means about 10 percent.

If we are attributing to robbery arrests, say two robberies for each arrest, the apprehension rate, my chances of getting arrested following last night's robbery, not being credited with that robbery next year, but last night's robbery, has got to be somewhere less than 5 percent on reported robberies. If 60 percent of the robberies are reported, it is somewhere around 3 percent.

More patrol because we need more cops on the streets. That is where the crime is. But also they have to do something different

from the way they do now because just generating more of that activity doesn't substantially, it doesn't to me, hold much promise of substantially increasing that apprehension rate.

It is a long answer to your question but that is what I meant by it. I don't have a prescription, really, for what that different kind of patrol ought to be. It seems to me we must demand and help the demand of our police commissioners for a lot of work in that area, and we have to support them in their failures when they try to do things that don't work.

But we expect too much of sort of routine patrolling.

Mr. SAWYER. I yield back the balance of my time.

Mr. HUGHES. The Vera Institute recently published an evaluation of a pretrial international program called the court employment program. As I understand it, the study found that this diversion program had a very limited effect upon recidivism and on employability.

Why do you think the program results were so disappointing, particularly in light of the success that was generated in earlier programs?

Mr. SMITH. Well, I think there are two reasons. One is, that program was the first pretrial diversion program, along with Project Crossroads in Washington. I think some of the notions about how to affect behavior, both the behavior of the courts and the behavior of the offenders was too simplistic, not sufficiently targeted, so the null effect is on both sides.

By 1978, that diversion program was not really diverting cases about which the courts had any intention to prosecute. They were just taking cases that the court was dumping on them, so it wasn't having an impact there.

That is important to know, because it helps explain a little bit why it wasn't having an impact on other things like jobs and schooling and income and recidivism, and that is, the program was, as many programs of the late 1960's and early 1970's were, offering a relatively thin intervention to a relatively seriously disturbed group of young people. They would have mandatory, I think once a week, sessions where they would talk about problems, some of them could really do things about some problems, and they would work on job development. Well, job development to this population is extremely difficult.

To me, though, I think the programmatic error here is that by selecting people for that program on the basis of their desire to avoid a consequence in court, which was an illusion, because they weren't, in fact, going to be punished by the court, really provided the clientele with an inappropriate set of motives and really made it rather unlikely that the offer of a thin set of services could have a statistically demonstrable effect, which is not to say that those conditions couldn't create effects if, for example, they did a hell of a lot more work with those kids and if the prospect of punishment was more real.

Otherwise, it is too much to go uphill against the inappropriate set of motives.

Mr. HUGHES. In recent years, much of the criminal justice literature, as you know, has been dominated by the work of economists. Much of our own work these days is dominated by economists.

These writers, including Eric, Block, and Nolt, have offered radically different points of view from the traditional criminologists on the subject of how to respond to crime.

They claim that deterrents to criminal behavior is best achieved by increasing the certainty of criminal sanctions in their severity. They also claim that employment intervention strategies are fundamentally misguided and that they are just too costly.

I take it from your suggestion that you disagree with the economists. You believe that you have to increase the sureness and the swiftness and the severity to make the penalties more of a deterrent and try to develop policies that will provide alternative opportunities for individuals.

Mr. SMITH. I certainly believe that. It helps me have some faith in my fellowman that I don't disagree with all economists and I am not myself sufficiently immersed in their writings to know whether they have correctly characterized their views. But at least some economists who are interested in the secondary labor market issue, who have a sense of the indirect effects and who aren't so stuck in this idea that there is a rational economic actor and he is choosing to do crime or not crime depending on the cost or benefits, they are not stuck there. Well, I can agree with them. If they are stuck there, I find it not very helpful for policy and wrong commonsensically in my own experience.

Mr. HUGHES. One of our top national leaders recently made this statement:

It is time, with knowledge, the solution to the crime problem will not be found in the social workers' files, the psychiatrist's couch or the bureaucrat's budget. It is a problem of the human heart and it is there that we have to look for the answer.

How do you respond to that?

Mr. SMITH. Well, I think there is a great deal of truth to it and I think that it, as a researcher or a program administrator or you, as legislators, could find direct methods of reaching the human heart, I suppose we could do a lot more in a lot of fields, including this one, than we have been able to do so far.

Mr. HUGHES. Would you say that perhaps it is a combination of various factors, which will lead us to solve crime problems, for example maybe trying to understand what motivates people, perhaps in the area of psychiatric problems, how to deal with drug-related problems and the need for drugs, to try to deal with the aspirations of all humans? Perhaps it is a collection of all those things.

Mr. SMITH. Certainly. I think the message I am trying to convey today is that when we are concerned about crime and we are thinking about employment, we ought to think rather more broadly about the impact of the economic conditions. Employment does get, indirectly of course, to the human heart through family.

For example, the economic condition of a family is an important factor in how people behave toward each other. We really are making not inappropriate although not necessarily self-depreciating remarks about family formation, about spouses. Indeed, one of the things in the economy is that women, young women, through schooling and other needs, have slightly better prospects, it seems to me, in the inner city than young men. It would be cynical to say, "Well, one of the things we ought to be doing is, we ought to be

trying to match up our young men with our young women, particularly those who have good economic prospects." That is true, and that is part of the human heart——

Mr. HUGHES. Is that a service that Vera is offering?

Mr. SMITH. No, we aren't licensed to do that.

Mr. HUGHES. Well, thank you very much, Mr. Smith. You have been most helpful and we appreciate your testimony.

Our next witness is Prof. Ann Dryden Witte. Professor Witte teaches economics at the University of North Carolina in Chapel Hill. The professor is no stranger to congressional hearings, having previously testified before the Joint Committee on the Economy and the House Committee on Ways and Means.

Professor Witte is one of America's leading experts on the topic of unemployment and crime. She has written extensively on a wide range of issues in this area.

Professor, we are happy to have you with us today. We have your statement, which will be made a part of the record, and we hope that you can summarize for us.

TESTIMONY OF ANN DRYDEN WITTE, DEPARTMENT OF ECONOMICS, UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL, N.C., ACCOMPANIED BY SHARON K. LONG

Ms. WITTE. Thank you very much. I would be happy to.

I have brought a colleague with me who is an expert on the aggregate literature involving the relationship between economic factors and criminality in case you have any particular questions about that literature. This is Sharon Long.

Mr. HUGHES. Ms. Long, we are happy to have you with us today.

Ms. WITTE. What I wanted to do here, I will be glad to answer any questions that you might have, but I wanted to look at the work that might lead us to some conclusions concerning the relationship between economic factors and criminality and to try to summarize for you the insights of that work.

Specifically, I will try to answer three questions. The first question is: What is the nature of the relationship, if any, between economic factors and criminality.

The second thing I will attempt to do is to tell you what the limitations of that literature is, what does that literature not tell us that would be useful to know.

Then the third thing I would like to try to answer is: Are there any effective policies? Does this literature indicate that there is something we can do to improve the situation.

The first thing is that I think the literature does lead to the conclusion, it is not unambiguous, it doesn't present a crystal-clear picture, but it is consistent with the conclusion that there is a relationship between economic recession and criminality, with economic recession leading to greater levels of illegal activity.

Specifically, we believe that there is both a direct and an indirect relationship. The direct relationship is that unemployment apparently leads to significant increases in youth crime, property offenses, and perhaps sometimes as illegal production, such as the production of jobs the size of the illegal job market, fraud, arson in our central cities, and also such things as loansharking.

We also believe that the indirect effects may be even larger than these direct effects. The indirect effects are of two different types. The first type is at the individual level, with economic recession leading to a number of individual labor market adjustments. For example, economic recession for some people means losing the job. For other people it means short hours. For still other people it means work instability. For still other people it means less job satisfaction, a job that they dislike more with lower income.

What we think we see in some newly emerging literature is that it is all of these factors that in turn lead to the increases in crime. So we have an indirect route. Unemployment causes labor market adjustments, labor market adjustments in turn cause the increase in criminality, an indirect path for the effect of unemployment and other factors associated with economic recession.

We also believe that we see indirect effects at the firm level. Specifically what we believe is happening at the firm level, we have much less firm evidence but I think it is something we need to consider and that is that we believe what is happening at the firm level is that large, what we call primary-sector firms, firms providing very good career-type jobs such as General Electric, General Motors, Rand Corporation, you can run down the list of the Fortune 500, when you get into a period of up and down business activity as we have been in throughout the 1970's and appear likely to be in during most of the 1980's, these firms, when economic activity is high, rather than providing new primary-sector permanent employment in their firms, what many of these firms appear to be doing is appear to be providing additional work for small vendors. They appear to be providing additional temporary jobs.

Now, why might these firms do this rather than react in the more normal fashion of hiring new permanent employees? What happens if 6 months later we go into an economic recession? They are put in the position of firing permanent employees, or at least laying off permanent employees. This is either very difficult or impossible, very difficult under some labor contracts, sometimes impossible under such contracts. At the least, it leads to very unfavorable publicity.

So what they are doing is hiring the temporary employees, sending work out to vendors, and when the economic slowdown comes, as it has been quite frequently, they are cutting their orders to vendors, hence it is the small vendors, these very small employers, who are laying off people, and firing their temporary employees.

So here is the secondary effect of economic recession. Specifically, what it is doing is meaning that our economy in times of economic boom is providing many fewer primary-sector career jobs than it would have formerly. The lack of these types of jobs we believe also leads to increased levels of criminal activity.

That is basically what we believe the literature tells us. Another thing this literature tells us is that when you are talking about the effect of unemployment or economic recession on criminality, you have to talk about what type of criminality. Criminality is like work, a very diverse thing. There are a number of types of criminal activity.

Economic recession seems to have effects on some types of criminal activity and not on others. For example, it appears that the

greatest effect, at least in the literature, is on what we call the blue-collar property offenses, burglary, larceny, robbery, and things of this ilk. We also seem to see some types of illegal production increases in things I have mentioned to you before, drug sales, loan-sharking, fraud and arson in our central cities. We also see an increase in something that is not criminal but is illegal usually, and this is what we call off-the-books employment. This is employment in the sweatshop-type places for illegal aliens. This is employment in jobs that do not pay minimum wages. This is employment in any type of job that is not reported, not properly licensed, and on which taxes are not properly paid.

Now, what we also see are other types of offenses, for example the violent offenses, some types of illegal production such as prostitution, gambling, employee theft, as well. There may actually be decreases or only slow rates of increase.

So one of the problems is perhaps the title of the hearing is a bit simplistic in the sense of the relationship between unemployment and crime. I think there is a definite relationship, but you have to tell me what kind of crime and then I can give you some indication of what the nature of that relationship is. This is what the literature seems to be saying to us.

What are the weaknesses of this literature, the second question? Well, I think the weaknesses of this literature are quite large. Much of this literature, as you are aware, uses jurisdictional—that is, data for cities, States, counties, nations—not data for individuals, and yet our intuition tells us that it is at the individual level that economic recession affects the decision to commit crimes. So much of this literature is at the aggregate level and has serious problems with it as far as inference goes.

This literature at the aggregate level also almost exclusively uses FBI index offenses only; that is, all the literature can tell you about is homicide, rape, assault, larceny, robbery, burglary, and auto theft. And this is obviously not the whole spectrum of illegal activities.

The individual literature, I think, has a much greater possibility. This is data actually for individuals, looking at how they adjust and has a much greater ability to provide insights for you. Unfortunately, most of the data that has been used on individuals is data for ex-offenders, and many people that commit crimes are not necessarily ex-offenders, ex-prison releasees.

So one of the problems with the inferences I have given you is that they come from a specific group of the population, and whether the young ghetto youth is going to behave exactly the same way as a prison releasee, I cannot tell you because the literature does not have the type of studies that allow me to do so.

I think the third thing about the literature is that the literature works almost exclusively with official records. We don't know for sure—perhaps the gentleman who testified earlier, the police chief, could give some insight—but it appears to us that there was a potential for what we call a procyclical bias in the reporting of offenses. Let me explain a little bit about what I mean by this procyclical bias.

What we think could be occurring is that in times of economic boom, crime rates, particularly property crime rates, tend to be at

a lower level. Police resources remain about the same. The police, therefore, are able to handle these offenses and to record them at a much higher rate.

During a recession, what we are hypothesizing may be occurring is that these police forces become overburdened. As the crime goes up, people see cases being solved less frequently and the rate of reporting goes down. So that one reason the relationship between unemployment and crime at the aggregate level, at the jurisdictional levels, is not stronger may be that there is a bias in our reporting system, and this is one reason for our weak results to date in some of this literature.

I think the final question I would like to address is what, if anything, can we do about this.

I think the first and most obvious one is to pursue effective macroeconomic policies which will lead to less severe and less frequent business cycles. Unfortunately, none of us here today are macroeconomists, and I think even if you had a panel of them I am not sure they could tell you what those effective policies would be. As you are well aware, many of the policies that might be effective at a lowering of unemployment might raise inflation, which also has effects on the crime rates, which I am sure you are aware of.

So what can we do if we don't know what the effect of macroeconomic policies are, or if we cannot pursue those effective macroeconomic policies?

I think the first thing we can do is, we need to provide meaningful uses for people's time. I guess I am of the school, and I have worked for a number of years now in a reading of other people's work that leads me to believe there is something to be said in the fact that idle hands do find interesting things to do often, and often these things are illegal; at least at times they are.

What does the literature tell us that these useful things might be? Well, the literature suggests that perhaps supported work such as was carried out in New York City and a number of other places around the country, that programs like the Job Corps may be effective. They tell us that these things are going to be very costly. They also tell us that they are only going to work for certain types of individuals and that the effects are not going to be large. They may work for ex-addicts, for example, in the case of supported work, but not for ex-offenders or youth.

We also know that certain types of programs do not seem to work particularly well. We can discuss those if you would like.

There are a couple of things that have not been tried to any large extent, although we have some information on them, and this is what you would call demand-side interventions. A good example of this is that you want to provide jobs directly, and you can provide these jobs directly either through incentives to business, and a particular recent example of this which has now expired, I understand, is providing tax credits to business for employment of particular types of people, particularly low-income people. This was the 1976 new job tax credit program which some of you may be familiar with.

You could also provide wage subsidies in order to encourage the private sector to hire particularly high crime type people. The last possibility, or one other possibility, is public sector jobs, which we

all know tends to be fairly expensive and difficult to organize, and we don't know how effective that is.

So what do we have there? We are saying we need to provide meaningful uses for people's time, we can have public programs of certain types which may be effective, we can provide incentives to the private sector, and we can provide public sector jobs.

The third thing is, what about those people that you just aren't going to get jobs, or suppose you can't provide these job incentives? Well, we have a little bit of information here. Specifically, we have what was called the LIFE experiment, the Living Insurance For Ex-offenders which occurred in Baltimore, and the TARP experience, which is Transitional Aid for Released Prisoners, which was carried out in both Texas and in Georgia. We also have a recent evaluation of Senate bill 224 in California.

What all of these things were attempting to do is provide money on release to prison releasees. What all of these evaluations of these programs seemed to indicate is that providing money to prison releasees, if you can provide that money in such a way that there isn't a significant work disincentive, it does significantly decrease their levels of criminal activities, and here is another potentially effective program that is not terribly high cost, and indeed all the evaluations seem to indicate that we as a society are better off making these payments than we would be not having done so.

I would be happy to answer any questions you might have.

[Ms. Witte's prepared statements follow:]

Executive Summary
of
Some Thoughts Concerning the Effects of Recession
on the Level of Illegal Activity

by

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Our own work and a careful reading and analysis of the work of others which deals with the relationship between economic recession and the level of illegal activity leads us to a number of conclusions. First, there does appear to be a relationship of the type expected with economic recession being associated with higher levels of illegal activity. Second, the nature of this relationship is more complex and varied than is commonly thought. Specifically, although there does appear to be a weak direct relationship between unemployment and the level of youth crime and property offenses, indirect effects also occur and indeed may be even stronger. These indirect effects appear to be of the following nature. Economic recession causes declines in work stability, job quality and the amount of time spent working, as well as, direct unemployment. These indirect effects cause decreases in job satisfaction and income which in turn leads to increases in criminal activity (particularly activities which lead to monetary gain) and to other types of illegal activity (e.g., "off-the-books" employment). Third, economic recession does not cause equal increase in all types of illegal activity. Some activities, such as property offenses and drug sales, appear to increase rapidly.

Others, such as violent crime and prostitution, appear to increase more slowly. Some offenses, such as employee theft, may actually decline with economic recession.

We believe that the existing literature as a whole provides support for higher rates of unemployment and other factors associated with recession causing increases in illegal activity. However, we believe that this literature provides little information on the likely size of these effects, the particular types of activities likely to increase most rapidly, or the way in which the effects of economic recession cause increases in crime. This literature provides only slightly more guidance concerning policies likely to effectively combat such increases. It suggests that providing certain types of payments to prison releasees at or shortly after release is likely to decrease the level of criminal activity of such individuals. However, the literature suggests that the most globally effective policy is likely to be one that provides satisfying, full-time employment at reasonable wages. Such employment may be the result of effective macroeconomic policies, wage subsidies or job related tax incentives to the private sector, or public sector employment.

Prepared Statement

of

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Some Thoughts Concerning The Effects of Recession on the
Level of Illegal Activity

Joint Hearings

Subcommittee on Crime of
the House Committee on the Judiciary

and

Subcommittee on Employment Opportunities
of the Committee on Education and Labor

October 28, 1981

I. Introduction

The effect of economic recession on the level of illegal activity is an important subject. The existing evidence which we briefly survey below does not present a unified or consistent story concerning either the nature or the magnitude of the effects of economic slowdown on illegal activity. However, we believe that this literature provides intriguing insights which should be considered both in making macroeconomic policy and in developing employment and training programs. Further, this literature suggests that it is not only the increases in unemployment associated with economic slowdown which cause increases in illegal activity. Deterioration of job quality, decreases in time spent working, and declining job security may cause equal, if not larger, effects on criminality. The existing literature also suggests that not all types of crime increase during recessionary periods, but rather that certain types of offenses may increase rapidly, others more slowly, and some may actually decline. Finally, a survey of the existing literature on the relationship between unemployment and crime suggests directions for research which would help to clarify the way in which economic slowdowns affect the level of illegal activity, and, thus, would lead to more effective policies designed to mitigate the effects of these slowdowns on such activities.

We believe that there are four distinct types of research in the existing literature which provide valuable insights concerning the relationship between economic slowdown and the level of illegal activities. The first type of research, of which there is a great amount, uses data for jurisdictions (e.g., cities, states and nations) and considers whether higher unemployment rates or lower incomes are associated with higher crime rates within the jurisdiction. The second type of research, of which there is dismayingly little, uses data for

individuals, who are almost exclusively ex-offenders. This literature seeks to determine if, on the whole, individuals who are employed and earning relatively high incomes commit fewer offenses than do individuals without employment or with relatively low incomes. The third type of research, of which there is a large amount, has as its basic purpose the evaluation of programs designed to improve the economic viability or labor market performance of those who have committed crimes in the past (e.g., prison inmates) or who are quite likely to commit crimes in the future (e.g., young males living in ghettos). The fourth type of research is quite different from the types previously discussed and also quite new, having emerged, only in the late 1970s. This research seeks to measure the level and trends in the amount of unrecorded economic activity in this country. This type of activity is popularly referred to as the subterranean or underground economy. Unsurprisingly, virtually all of this type of activity results in violation of some regulation (e.g., licensing requirements) or law (e.g., criminal statutes).

We briefly review the insights of each of these literatures concerning the relationship between economic slowdown and illegal activity in the next four sections of this statement.¹ In the final section, we summarize the insights of the existing literatures, and suggest a type of research which we believe will provide more clearly interpretable and policy relevant results.

II. Insights from Research Using Data for Jurisdictions

The findings of the studies using jurisdictional data imply that there is a positive, generally insignificant,² relationship between the level of unemployment and criminal activity. As would be expected from the economic model of crime, the relationship tends to be most strongly supported with respect to property crimes rather than for the violent offenses.

In interpreting the results of the income-crime relationship, the conclusion is less clear. According to the economic models of crime, the propensity for crime should vary inversely with legitimate income prospects and directly with illegitimate income opportunities. Thus, low income would increase an individual's tendency toward criminal behavior, while high income would reduce this tendency on the part of the individual. At the same time this high income would increase the individual's attractiveness as a target for criminal behavior on the part of others. Aggregate studies incorporating measures of income have great difficulties obtaining adequate proxies for either legitimate income prospects or opportunities for illegal gain. Indeed, at times, the measure used as a proxy for legitimate income in one study is used as an index of illegitimate income in another. Thus, the interpretation of the results are difficult. In general, the studies showed no clear cut income effect on the level of any of the specific crimes, nor on the property or violent crimes categories.

However, the studies which incorporate a measure of low income or poverty, (e.g., percentage of families with income below \$3,000 or the percentage with income below one-half of median income) in addition to a variable for median or average income almost always find the coefficient on the poverty measure to be positive and statistically significant and the coefficient on the income measure to be positive. Specifically, the coefficient on the income measure, although positive, was statistically insignificant for violent crimes, and positive and statistically significant approximately half the time in studies analyzing property crimes.

Some researchers argue, that in addition to absolute income levels, relative income levels are factors in the decision to commit crimes. They hypothesize that it is necessary to consider the absolute income gap, which they term the distance between an individual's income and the average income of his reference

group, and the relative inequality across the entire income distribution. Empirical results show both factors to be positively related to crime, although the measure of relative inequality is significant less often than measures of the absolute income gap.

In general, the findings from these studies support the existence of a relationship between economic factors and crime. They do not, however, provide any insight into the magnitudes of these effects or to the pathways through which the effects function.

III. Insights from Studies Using Individual Data

The studies utilizing individual data provide consistent but weak support for the expected inverse relationship between wage and crime, and even weaker support for the expected relationship between unemployment and crime. To date the strongest relationship between labor market performance and crime which has been found is that between employment stability (usually interpreted as a measure of employment satisfaction) and time worked, and crime.

Two recent studies³ using individual data move in a direction which we believe is most likely to produce policy relevant results. Although using individual data for all other variables, these two studies use area unemployment as one explanatory variable. In the first of these studies, Rossi, Berk and Lenihan develop a model which views the number of weeks of work and the amount of criminal activity during a follow-up period as determined jointly. They find that for prison releasees in Texas, but not Georgia, higher area unemployment rates are associated with significantly fewer weeks worked during the follow-up period. For both Texas and Georgia releasees, they find that a larger number of weeks employed is significantly associated with decreased levels of criminality. The Texas results suggests the following possible causal mechanism: higher rates

of unemployment lead to fewer weeks worked which in turn cause increased criminal activity. Unfortunately, the second study by Schmidt and Witte does not corroborate the Texas results, but it does suggest a possible additional causal mechanism. This study uses an area unemployment rate as one variable to explain the rate at which various types of ex-offenders (e.g., offenders seeking monetary gains vs. those seeking more direct rewards (e.g., drug use offenders)) commit crimes. The study finds higher area unemployment rates to be associated with higher not lower levels of criminal activity. While never statistically significant, this relationship is close⁴ to being so in the case of offenders who primarily commit offenses which result in monetary gain, termed income offenders. This study also looks at the way in which year of release affects the post-release wage level and finds that release in a recessionary year leads to lower post-release wages for income offenders. Lower wages in turn are associated with lower offense rates for this type of offender. While these results are not statistically significant the first is close to being so. They suggest an additional causal mechanism: higher unemployment rates lead to lower wages which in turn lead to lower rates of criminal activity.

As a whole the results of studies using individual data suggest that there may well be a relationship between economic slowdown and crime, particularly crimes which result in monetary gains (e.g., drug sales, property offenses). However, this relationship does not appear to be as simple nor as persistent, at least for ex-offenders, as the model: unemployment leads to higher crime rates. Rather it appears that economic slowdown forces a number of labor market adjustments on individuals (e.g., loss of job, job instability, shorter hours, decline in job quality, lower wages). It appears that at least some of these adjustments lead, in certain circumstances, individuals to increase their levels of criminal activity.

From the individual work it appears that increases in unemployment and the general recession in economic activity usually associated with such increases may not greatly affect the level of crime directly, but may do so indirectly by decreasing the availability of desirable employment opportunities, the time spent working and the stability of all jobs.

A number of sociologists and radical economists have suggested that the labor markets in our economy are becoming increasingly segmented. Desirable jobs (primary sector job) with high wages, good benefits, employment stability, and advancement opportunities are only open to the well trained, conforming members of our society. For the less well educated, non-conforming individuals who commit most crimes, only transitory, dead end jobs in "secondary labor markets" are available. These jobs provide relatively low income, fail to provide skill training or advancement opportunities and generally breed frustration and boredom.

The cyclical nature of economic activity during the 1970s and early 1980s has caused many large firms to provide fewer primary jobs than would have been the case in earlier periods. Fearing fluctuations in demand and the difficulties (e.g., bad publicity, benefit payments) involved in terminating permanent employees, these firms meet increased demand in periods of prosperity by hiring temporary employees and sending work out to relatively small vendors. When demand falls back, it is quite easy to terminate temporary employees and decrease the amount of work sent out to vendors. While this type of decision making is quite rational from the point of view of the businesses involved, it means that fewer full time and permanent primary sector jobs are generated by high levels of economic activity than would otherwise be the case. Given the research surveyed above, it may be this aspect of highly cyclical economic activity rather than unemployment per se which is most strongly associated with increased criminality.

IV. Insights from the Programmatic Literature

In addition to the statistical studies discussed above, there have been several important studies of programs designed to lower or eliminate criminal activity by improving the economic viability of individuals who are likely to participate in criminal activity. The careful evaluation of programs of this type give insight into the relationship between economic viability and crime, as well as suggesting particular programs which are likely to be effective in lowering criminal activity. Unfortunately, careful evaluations of these programs is the exception rather than the rule. As a whole, the results of employment related program evaluations provide only weak support for the simple model, "unemployment causes crime." However, these programs provide somewhat more support for full time, satisfying employment experiences and economic viability being associated with decreased criminal activity.

Evaluations of pretrial intervention projects which provide employment oriented assistance find that such programs are more effective for adults than juveniles and that they decrease criminality in the short, but not the long run. Evaluations of adult vocational training and remedial education projects in prison, parole, or probation settings have almost uniformly found that such programs have insignificant effects on both labor market performance and criminality. Evaluation of similar programs for juveniles are only slightly more promising. Evaluations of work programs in prison (e.g. work release, prison industries) have had mixed results. These evaluations generally show that such programs reduce the cost of running a prison system, but have reached conflicting conclusions regarding the effect of such programs on criminal activity. For example, evaluations of California's and North Carolina's work release programs indicate that work releasees commit either less crime or less serious crime when released from prison than do releasees who do not participate in the program.

Evaluations of Massachusetts's and Florida's work releasee programs show no beneficial effects. We could learn much from a thorough evaluation of why some work release programs appear to reduce criminal activity while others do not.

In the early 1970s two new programs, transitional aid and supported work, aimed at improving the economic viability of released offenders in the community were implemented and produced promising results. The transitional aid program, begun in Baltimore in October, 1971 by a nonprofit research organization provided financial aid and job placement services to offenders in the period immediately following their release from prison. This program called LIFE (Living Insurance for Ex-Prisoners) carefully selected a pool of "high risk" non-addicted, property offenders from individuals released by the Maryland Department of Corrections, returning to the Baltimore area. An evaluation of the effects of the program indicated: (1) individuals receiving only job placement services had neither better employment records nor criminal records than those who received no services, and (2) that those receiving financial aid had no better employment records, but did have eight percent fewer arrests for property crimes. A benefit-cost analysis indicated that we as a society were better off having made payments to the releasees than not having done so: the social benefits of the LIFE program exceeded its social cost.

The supported work program, begun in New York City in 1972 by the Vera Institute of Justice, provided subsidized employment in a "low stress" environment for ex-addicts meeting certain requirements. In the supported work program, the "treatment" is work itself in a supportive environment that features graduated stress, peer support and close supervision. The program also features special challenges, for example, offering cash bonuses or "psychic rewards" for good performance, in an attempt to wean participants from old

habits which are poorly suited to work life. An interim evaluation of the program effects indicated that individuals who participated in the program earned more, required fewer welfare benefits, and were arrested less often than controls. Further, as was the case for transitional aid, a benefit cost analysis indicated that the social benefits emanating from the program substantially exceeded social cost:

Due partially to the above favorable evaluations, but probably due more to the attractiveness of economic approaches to crime to an increasingly conservative national mood, both the transitional aid and supported work programs were rapidly expanded. Fortunately, these expansions were subject to careful experimental evaluation and results are currently available.⁵ Unsurprisingly, the nature of both programs were substantially modified during expansion. We will discuss each expanded program in turn and the evaluation results currently available.

The transition aid program, renamed TARP (Transitional Aid Research Project), was operated in Georgia and Texas by the State Department of Corrections and Employment Security Offices and made available to individuals released from jail and prison between January and July 1976. This program made transitional aid payments available to all Department of Corrections' releasees returning to areas with Employment Service Offices (mainly urban areas) and to selected groups of those returning to areas of the state without such offices. There are a large number of differences between LIFE and TARP; two are particularly important. First, while under the LIFE program, employment and legal earnings merely deferred payments, under the TARP program, employment and legal earning actually decreased payments. Thus, while the LIFE program gave few if any work disincentives, the TARP program provided often large incentives not to work. Second, TARP payments were given to all eligible releasees while LIFE payments were given only to non-addicted, property offenders. Simple comparisons of the control and

experimental groups for the TARP program indicate no significant differences in re-arrest between individuals receiving transitional aid payments and those who did not. Further, simple comparisons of the labor market performance of the two groups show that individuals receiving transitional aid were found to work less and earn lower incomes during the follow-up year than individuals who received no aid. In an attempt to explore the reasons for these surprising findings, the researchers estimated a complex model which included equations for the level of post-release criminal activity and the number of weeks worked. The estimated model allowed the level of criminal activity and the number of weeks worked to affect one another. Results indicated that larger numbers of weeks worked were significantly related to decreased post-release criminality (i.e., there were significantly fewer arrests for both property and persons offenses). Further, when one adjusts statistically for the fewer weeks worked, individuals receiving TARP payments were found to have significantly lower levels of post-release criminal activity. Thus, the TARP program could be judged to be successful in reducing criminal activity, but unsuccessful in that it produced a significant work disincentive.

The recent evaluation of California's provision, under Senate Bill 224, of unemployment compensation to state prison releasees provides further support for the effectiveness of payment after release from prison reducing criminality when work disincentives are not present.⁶ Under this Bill, state prison releasees who had accumulated sufficient hours in prison jobs or prison vocational training programs to have been eligible for unemployment compensation if they had been paid for these hours at the minimum wage rate (2.30 an hour in 1977 when the bill was passed) were made eligible for unemployment payments. Eligible releasees received benefits on average of \$45 per week and could earn up to \$25 per week with no

reduction in benefits. Earnings above this level resulted in a loss of a dollar of benefits for every dollar earned. On average, eligible prison releasees received their first payment only seven weeks after release. The low level of payments combined with the delay in the receipt of the first payment apparently reduced the potential work disincentives of the program markedly.

Two careful evaluations of this program have been conducted. However, since neither of the evaluations involve a randomly chosen group of prison releasees nor an experimental design, results are open to alternative interpretation. The results are consistent with the programs' findings for LIFE and TARP reported above. They indicate that eligibility for unemployment benefits reduce parole revocations and the seriousness of post-release criminal activity. One of the evaluations indicates that a larger number of hours working and higher earned incomes are also significantly related to reduced seriousness of post-release criminality.

The expansion of the supported work program involved an increase in the number of sites to fifteen and a shift in recipients to include three target groups in addition to ex-addicts: (1) women who had received AFDC welfare payments for substantial periods of time, (2) prison and jail releasees, and (3) young school drop outs. The program was administered by diverse groups in the various location ranging from governmental bodies to non-profit community groups. While the exact program and nature of jobs available varied from location to location, the new programs were quite similar to the original. Results of an evaluation of the expanded program are currently available. For ex-offenders they indicate significantly improved labor market performance only during program participation although significant welfare payment decreases continue even after ex-offenders leave the program. There is no significant decrease in reported criminal activity for ex-offenders either while they are in the program or after

termination.⁷ However, ex-addicts participants do significantly decrease their criminal activity. In addition, ex-addicts who participated in the program were less likely to be unemployed and on the average earned higher monthly incomes. The beneficial labor market effects of the program for ex-addicts were occasionally, although not always, significant. These results are disappointing for ex-offenders, but support the original results for ex-addicts. Some additional support for providing supported environments comes from a recent evaluation of the Job Corps. The evaluation found significant decreases in arrests for corpsmen after program completion.

Taken as a whole the program evaluation literature supports conclusions similar to the more statistical literature surveyed. Unemployment, per se, only appears to be weakly related to criminal activity. However, rewarding work experiences, longer periods of work and economic viability appear to be more strongly associated with decreased criminal activity.

V. Insights from Research on the Underground Economy

To date there has been little work on the relationship between the level and nature of legal economic activity and the level of production of illegal goods and services (e.g., gambling, prostitution, illegal drugs), the level of non-reporting of legal activity (e.g., tax evasion, the size of the illegal alien population), or the size of stolen goods markets. Recently, these activities have been grouped together and analyzed as an underground or subterranean economy. The activities comprising this economy can be divided into three broad groups: (1) the production of illegal goods and services (e.g., drugs, gambling, and arson) (2) illegal transfers (e.g., stolen goods markets, fraudulent activities), and (3) the unreported production and trade in legal goods and services (e.g., tax evasion and illegal aliens). Activities in the first two groups are generally

violations of our criminal laws. Activities in the third group generally involve violations of our tax and regulatory laws and may result in either civil or criminal offenses. Many important types of criminal activities in this "underground economy" have not been considered, or considered only coincidentally, in any of the previous literatures surveyed. Yet, given the large magnitude and social costs of many of these activities it is important to know how economic slowdown will effect their levels. Table 1 presents estimates of the magnitude of some important underground activities.

It has been suggested by a number of people that the underground economy has grown markedly in recent years due to increased government regulation and stagflation (a combination of slow economic activity and inflation). Other work which carefully studies the major sectors of this economy is not able to draw any definitive conclusions regarding trends in the entire underground economy for recent years. Government regulation undoubtedly contributes to the size of the underground economy. Indeed, it is only as a result of legal regulation that we have illegal goods and services, and illegal aliens. Other types of government regulations make "off the book production" more attractive and, thus, tend to increase the size of the underground economy. Perhaps, most importantly, increased levels of taxation increase the size of potential gains from such evasion and are likely to increase the overall level of evasion. However, a number of other regulations, health and safety regulations, pollution regulations, social insurance laws, minimum wage laws, reporting requirements, etc., serve to make reported business activity more expensive and hence increase the relative attractiveness of "off the book" activity. These regulations also undoubtedly contribute to the amount of unreported economic activity. Inflation may increase the amount of unreported activity in two ways. First, and most importantly, inflation places individuals in higher tax brackets and hence increases the potential gains from

Table 1
Estimated National Income for the Underground Economy
in 1974 and 1980 with Growth Trends (with reliability indications)

Sector	Estimated 1974 National Income (in \$ Billion)	Estimated Average Annual Growth Rate (%)		*Estimated ¹ 1980 National Income (in \$ Billion)
		1970-1975	1975-1980	
I. Tax Evasion and Avoidance				
(A) Federal Income and Profits Tax	56.7-75.7 (moderate)	5 to 10 (low)	8 to 12 (very low)	98.2-130.9 (very low)
(B) Excise Taxes	0.3-0.5 (moderate)	10 to 15 (moderate)	-5 to 5 (moderate)	0.3-0.6 (moderate)
II. Illegal Aliens				
	5.9-7.6 (moderate)	12 to 16 (moderate)	15 to 20 (moderate)	15.1-19.4 (low)
III. Illegal Transfers				
(A) Stolen Goods	5.4-8.9 (moderate)	10 to 15 (moderate)	10 to 15 (moderate)	10.9-18.0 (low)
(B) Fraud Arson	.2 (moderate)	20 to 30 (moderate)	25 to 35 (moderate)	.9 (moderate)
(C) Other Fraud	2.2-20.1 (very low)	(unknown)		
(D) Counterfeiting	.001 (moderate)	11	6	.001
(E) Embezzlement	0.1-1.3 (unknown)	(No estimate found)		
(F) Bribery	6.5-13.0 (unknown)	(No estimate found)		
IV. Production and Distribution² of Illegal Goods				
(A) Drugs				
(1) Heroin	3.2-5.0 (moderate)	10-20 (low)	10-20 (low)	7.4-11.6 (very low)
(2) Cocaine	5.6-6.2 (moderately high)	0-5 (moderate)	5-10 (moderate)	8.2-9.1 (moderate)
(3) Marijuana	1.5-2.4 (moderate)	5-10 (moderate)	10-20 (moderate)	3.2-5.2
(4) Other Drugs (Hashish & Synthetic Drugs like PCP)	2.8-4.4 (very low)	(No estimate found)		
(B) Smuggling of goods other than drugs	0.2-.3 (unknown)	(No estimate found)		
(C) Pornography	1.3-2.0 (unknown)	(No estimate found)		
V. Production and Distribution of Illegal Services				
(A) Illegal Gambling	1.0-2.0 (moderate)	5 to 10 (low)	-5 to 5 (low)	1.1-2.2 (moderate)
(B) Loan Sharking	.2-3.2 (low)	-5 to 5 (low)	-10 to 10 (low)	0.2-3.2 (low)
(C) Prostitution	1.7-14.4 (high)	0 to 5 (low)	-3 to 5 (low)	1.7-14.8 (moderate)
VI. Other				
	5.0-10.0 (low)			
Total National Income	99.8-177.2	10%		170-300
Source: Simon and Witte (1981a)				

tax evasion. A recent study⁸ found that "the fraction of earned income reported becomes very elastic with respect to the tax rate". In other words, as tax rates become higher and higher, the fraction of income unreported increases even more quickly. Second, if individuals see their legal income eroded as a result of inflation or economic slowdown, they may be tempted to supplement their legal income by "off the books" or illegal activity.

The effect of recession on the size and structure of the underground economy has been little studied. However, if property crimes increase during recessions, one would expect the size of the stolen goods market to increase as well. The effect of recession on production of illegal goods and services is more difficult to judge, but would depend mainly on the way in which demand for the goods and services respond to real income declines (the income elasticity of demand) and to stresses related to unemployment, job instability and falling real income. As we are aware of no evidence on the nature of these relationships, we can only conjecture that certain sectors might grow quite rapidly (e.g., illegal drugs) while others might actually suffer declines (e.g., prostitution).

VI. Summary and Conclusions

The literature surveyed in the previous section, although flawed in a number of ways, allows us to draw at least tentative conclusions concerning the effect of economic slowdown on crime. First, the literature using jurisdictional data suggests that increased unemployment, particularly youth unemployment, will lead to moderately higher overall crime rates. Secondly, this increase is likely to occur disproportionately in property crimes. Studies which have analyzed the effect of unemployment rates on persons offenses have reached conflicting conclusions, with some studies finding that unemployment increases persons offenses and others finding higher unemployment associated with lower levels of persons offenses.

Studies using individual data provide greater insight into the nature of the relationship between unemployment and crime. Recent work by the Vera Institute⁹ and Rand¹⁰ suggests that the nature of the relationship depends on the type of crime and type of individual involved. Sviridoff and Thompson identify four distinct types of relationships between unemployment and crime. First, some types of crime (e.g., white collar crime, employee theft) require jobs in order to be possible. For these types of crime, one would expect a decrease rather than an increase as unemployment rises. Second, some offenders mix employment and crime. These individuals either "moonlight" in criminal activities or use their legitimate job as a front (e.g., fences, drug dealers). For this group, like the first, employment and crime go hand in hand. For individuals moonlighting in crime, unemployment may increase criminal activity; however, for those using legitimate employment as a front, unemployment may make criminal activity more difficult and may lead to decreased rather than increased illegal activity. Third, some offenders, particularly younger offenders, appear to alternate between employment and crime. For these individuals, unemployment or dropping out of the labor force indicates a switch from legal to illegal income generating employment rather than unemployment as we normally perceive it. For individuals in this group, we would expect the rise in unemployment and drop in labor force participation associated with recessionary times to lead to increased levels of property crime and increased participation in the underground economy. Finally, there appears to be a small group (for example, 5 to 10 percent of property offenders) that are firmly committed to crime as their primary means of support. For this group, unemployment or nonparticipation in the labor market is a way of life. We would expect no relationship between unemployment and crime for this group. Note that we only expect increased unemployment to be directly associated with increased criminal activity for individuals in group three discussed above and some individuals in group two.

Both on the basis of the above unemployment-crime relationships and on the basis of some research which uses individual data one might expect stronger indirect or secondary effects of rising unemployment on the level of criminal activity. Increases in rates of unemployment may cause job instability, declines in job quality and shorter periods worked. All of these factors are likely to lower income and decrease job satisfaction. These decreases in income and job satisfaction appear to cause increased levels of criminal and other types of illegal activity. One would expect such increased illegal activity from some members of all of the first three groups discussed above. In addition, research which uses individual data suggests that higher rates of unemployment are associated with shorter work periods and lower wages, and that these shorter work periods and lower wages are, in turn, associated with lower levels of criminal activity. This increase in criminal activity appears to be strongest for offenses which result in monetary gain.

While there has been very little work on the effect of inflation on overall crime rates, there has been considerable interest in the relationship between inflation and the growth of the underground economy. Existing work seems to suggest that a number of sectors of this shadow economy are likely to grow rapidly in periods of sustained inflation. Given our current tax structure, inflation pushes people into ever higher marginal tax brackets, making tax evasion continually more attractive. Further, as pointed out in the previous section, levels of non-compliance appear to increase at an increasing rate as tax rates rise. Thus, we would expect both criminal and civil offenses associated with tax evasion to rise if our present rates of inflation continue. Current decreases in taxes should only slightly mitigate this effect since they do not alter the marginal tax rate structure. If high inflation is accompanied by declines in real income for the middle and upper middle classes, we might expect white collar crime (e.g., employee theft,

embezzlement) to rise as well. In addition, depressed economic activity and a continued shift of economic activity out of central cities may make fraud a/son attractive to larger numbers of property owners. Indeed, increasing shifts from our inner cities and the increasing concentration of poor and minority groups in these cities may be great contributors to higher crime rates.

A further effect of a decline in real income, decreased taxes and cuts in social programs could occur as a result of a resulting more unequal distribution of income. Some researchers have found that levels of criminal activity for both violent and property crimes increase with changes in the distribution of income which are perceived as unequal. If the declining economy tends to increase income inequality either through increased concentration of market power due to bankruptcies, through the effects of high inflation on relatively fixed incomes, or through cuts in social programs, we can expect a further increase in criminal activity.

Our survey of the literatures on the relationship between economic factors and crime indicates that if we are to understand this relationship we must narrow our perspective in some ways and broaden it in others. First, we must broaden our perspective in the sense that we must consider the whole issue of economic viability, rather than just employment or income per se. We must consider the quality and permanence of job as well as simply whether an individual is employed, and we must consider an individual's income relative to other individuals with whom he or she interacts rather than simply absolute income levels. Second, we must narrow our perspective in the senses that the nature of the relationship between employment and crime varies with the type of offender and type of offense under consideration. Unemployment may lead to more violent crimes simply because unemployment allows more time for interpersonal contact in non-structured environments, lowers the opportunity cost of crime, and often causes greater family stress. Unemployment may lead to less white collar crime and employee

theft because of lack of opportunity, but to more traditional (e.g., larceny, robbery) property crime and other illegal activities (e.g., gambling, drug sales) as individuals substitute illegal for legal employment.

Reflecting on the above literatures, it appears that there is at least one type of study which could serve to greatly clarify the nature of the relationship between unemployment and crime. The type of study required would collect information on labor market and criminal activity for a large representative sample of all individuals, not just ex-offenders. The ideal study would collect data on these individuals for a long enough time period to allow researchers to observe individual adjustments over at least one business cycle. In addition, it would, of course, be necessary for this study to obtain information on the unemployment rates in the labor market in which the individual participated. The study would determine the relationship between the labor market performance of the individuals in the sample (whether or not employed, number of hours worked, work stability and wages) and the unemployment rates in the area where he or she lived. If significant effects were found, the impact of alterations in labor market performance on criminality could be traced. This analysis should be careful to investigate the type of crimes which are effected as well as the overall magnitude of effects on criminality. Research of the nature outlined above would provide insights concerning both the magnitude and the reasons why economic slowdown alters the level of criminal activity. It is this type of information which is necessary for effective policies to be developed.

Footnotes

¹We make available and ask that two papers which contain more detailed surveys of this literature (Long and Witte, 1980 and Simon and Witte, 1981b) be published in the record of these hearings.

²A variable is judged to be significant if a two-tailed hypothesis test at the 5 percent level ($\alpha = 0.05$) would lead to rejection of the null hypothesis that the coefficient of the variable is equal to zero.

³See Rossi, Berk and Lenihan (1980) or Schmidt and Witte (1982).

⁴A variable is judged to be "close to being statistically significant" if a two-tailed hypothesis test at the 10 percent level ($\alpha = 0.10$) would lead to rejection of the null hypothesis that the coefficient of the variable is equal to zero.

⁵See the Board of Directors, Manpower Development Research Corporation (1980) and Rossi, Berk and Lenihan (1980) for the findings of these evaluations.

⁶See Berk and Rauma (1981).

⁷There is a significant reduction in recidivism for one nine month period for releasees who enrolled in the program early. However sample size is small and thus the result is not terribly meaningful.

⁸See Friedland, Maital and Rutenberg (1978).

⁹See Sviridoff and Thompson (1979).

¹⁰See Petersilia, J., et. al. (1978), and Peterson, Braiker and Polich (1980).

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Mr. HUGHES. Thank you, Professor. Chairman Hawkins?

Mr. HAWKINS. Professor Witte, on the first page of your statement, in the introduction, you indicated that during recessionary periods certain types of offenses may increase, others more slowly, and some may actually decline.

Ms. WITTE. Yes, sir.

Mr. HAWKINS. Which are the ones that would actually decline and what percentage of those three classifications would that include?

Ms. WITTE. OK. We are talking about three broad categories. I think one thing I indicated about the literature is that it is sketchy. The literature tells us little except the underground economy literature tells us relatively about illegal production. I am talking about things like production of illegal goods and services, drugs, loansharking, prostitution, fraud, all of these illegal activities.

We don't know as much as we should about those. Based on what little we know, it appears that property offenses will increase.

Mr. HAWKINS. They would increase?

Ms. WITTE. Yes, sir. And that certain types of illegal production will increase fairly rapidly, drug sales being one, loansharking being another, since this is the loan source of last resort both for small businesses as well as individuals; and that fraud and arson would be a third that we are fairly certain would increase.

Mr. HAWKINS. Would that also include virtually all property crimes?

Ms. WITTE. Yes. My belief is that, as a whole, property crimes will increase. Certain types may increase more than others, but unfortunately the literature isn't specific about which types would increase most rapidly.

Those that we believe, or have no reason to believe otherwise, that might remain relatively stable or actually decline might be such things as prostitution. It depends on the elasticity of demand, as we economists would say, which is a very esoteric concept. What happens to the demand for that particular type of service as incomes decline? We don't actually have an estimate, but I would be willing to hypothesize that that wouldn't be a very rapid growth industry. It is more what we would classify as a luxury good in many instances.

Mr. HAWKINS. That is rather discouraging, isn't it?

Ms. WITTE. It depends on one's point of view, I suspect.

Mr. HAWKINS. Thank you. Now, the one which would actually decline, what did you put into that classification?

Ms. WITTE. Things that might actually decline might be something like employee theft, for example, because you require a job in order to steal from your employer. It is rather hard to do so if you are not employed.

Another example might be the things like embezzlement where often you find discouraged or disgruntled employees, employees who feel that they have their jobs, that they are not likely to be fired, they go ahead and perpetrate these particular offenses against their employers. What we find in a recessionary period is that people become worried about their jobs and they are worried

about getting fired, and some of these negative behaviors become less frequent.

Mr. HAWKINS. On the underground to which you referred in the statement, you indicated that there had been little work done in this field. Are you acquainted with the studies done at the University of California at Los Angeles by Paul Belote and those done at the University of California at Santa Barbara?

Ms. WITTE. Yes.

Mr. HAWKINS. How would you rate those?

Ms. WITTE. I am not familiar with Professor Belote's work. Are you thinking of Phillips' work?

Mr. HAWKINS. No. Dr. Paul Belote of the Industrial Relations Department of the University of California at Los Angeles. It was done in the early 1960s by a grant from the Department of Labor.

Ms. WITTE. No, I am not familiar with that. There has been the work I am familiar with, mainly work in the late 1970s. This work is of 2 basic types.

Mr. HAWKINS. Do you make any citations as to those? I was interested in that subject.

Ms. WITTE. Yes, sir. In fact, if you look further at page 14 of our prepared statement you will see a table where we make an attempt to estimate the size of the various sectors of this underground economy running from tax evasion avoidance to illegal aliens to stolen goods, fraud, arson, counterfeiting, cocaine, marijuana, pornography, prostitution, et cetera.

Mr. HAWKINS. Those are derived from what studies? Do you indicate it anywhere?

Ms. WITTE. Yes, sir. This actually happens to be work that Professor Simon at the University of Michigan and I completed. We drew our insights from what we felt was the best work in each of the different areas. For example, on the tax evasion area we worked very closely with the Internal Revenue Service and used their data rather extensively. When we were coming down to heroin, we relied very heavily on the work of some people at Harvard who we thought had been doing the best work in the area.

So this is drawing on what we believe to be the best literature in each area.

Mr. HAWKINS. You also referred to Senate bill 224 of the California Legislature. Was that bill passed and is it in operation?

Ms. WITTE. Yes, sir. It was passed in 1976, I believe. Actually what Senate bill 224 in California does is it makes prison releasees from the State Department of Corrections in California eligible for uninsurance payments if they have worked sufficient hours in prison or been in vocational training programs in prisons for sufficient hours that they would have been eligible for had they been paid the minimum wage, which at that time was \$2.30 an hour. So they didn't actually have to accumulate that amount of income, but it would have been that amount of income had they been paid. They then received on the average \$45 a week for the normal 16-week period.

Mr. HAWKINS. Thank you. Thank you, Mr. Chairman.

Mr. HUGHES. The gentleman from Michigan?

Mr. SAWYER. I have no questions.

Mr. HUGHES. I just have one question, Professor Witte.

You refer often to literature, both in your own statement and in your oral presentation. Can you just give us a general idea what literature you have looked at in forming your opinions?

Ms. WITTE. Certainly. We believe there are four distinct types of literature that can give insight both as to effective policies in combating increases in crime and give you an idea of what types of increases in crime you might expect as a result of economic recession.

The first type of study is a study which uses jurisdictional data, and this is a huge body of literature. We have made a very thorough survey of that and we have made that survey available to the committee. What this literature does is it looks at the crime rate in a jurisdiction or in a number of jurisdictions, for example the crime rate in New York City and Los Angeles and San Francisco. It also looks at the unemployment rates in those areas and it looks for relationships between the unemployment rate and the crime rate in those areas, or it can do it through time.

This literature is extremely difficult to interpret because it has what we technically call aggregation bias. It is hard to say what is happening at an individual level if all you are looking at is an aggregate or a jurisdictional level.

The second type of literature is literature which specifically uses individual data and seeks to look at the way unemployment affects the individual's labor market performance, and that individual's labor market performance in turn affects the individual's level of criminal activity. This literature, we believe, is much, much more promising. It is very, very thin. There is very little of it, in addition to which, what there is is almost exclusively using prison releasees, not a broader subsector of the population, which is what you would ideally have.

The third type of literature is what we call the programmatic literature, and this is the literature that seeks to evaluate programs which attempt to provide better labor market opportunities either for people who have committed crimes, such as ex-offenders, or people who are in the high-crime prone population, such as ghetto youth. This is an evaluation of programs like the Job Corps, supported work, TARP, LIFE, et cetera.

The fourth type of literature is the type of literature I was discussing with Representative Hawkins, and this type of literature is the literature on the underground economy, and what this literature seeks to do is to say what is it, what is the size and the nature of the illegal activity going on in this country, and how does this illegal activity change through time?

This is the broadest based literature, but it is a new literature.

Mr. HUGHES. Thank you. Your testimony has been most helpful and we appreciate your sharing these views with us today.

Ms. WITTE. Thank you for having us.

Mr. HUGHES. Our next and final witness is Marvin Burt, president of the Institute for Human Resources Research.

Mr. Burt is a leading researcher and a scholar in the area of programs relating to the needs of drug-dependent offenders. In his testimony today he will address the positive experiences that have occurred for participants in the treatment and rehabilitation for addicted prisoners program.

Mr. Burt, we are delighted to have you with us today. We have a copy of your statement and, without objection, it will be made a part of the record and we hope that you can summarize for us.

TESTIMONY OF MARVIN R. BURT, PRESIDENT, INSTITUTE FOR HUMAN RESOURCES RESEARCH

Mr. BURT. Thank you very much. It is a pleasure to be here today to talk about the treatment and rehabilitation for addicted prisoners program.

I will summarize my statement and, of course, be glad to answer any questions concerning this program or anything else relating to drug abuse and the matters that concern this committee.

A number of studies have indicated that a large number of drug abusers enter State correctional institutions. A major study by the Census Bureau in 1974 is the most recent data. It showed that about 61 percent of inmates in these institutions had a history of drug abuse. Many of the offenders were incarcerated in institutions that offered very little in the way of rehabilitative services and the limited data available shows that this type of offender has a very high probability of returning to illicit drug use and crime.

The prognosis is very poor. Drug abusers who have progressed in their criminal and drug careers to the point where they enter State prisons, the recidivism rates are very high and these repeat offenders constitute a very substantial proportion of inmates in correctional institutions and, therefore, contribute substantially to the current problem of overcrowding.

I want to emphasize that there is overwhelming scientific evidence that drug abusers can be effectively rehabilitated in noncorrectional settings, but there is essentially no scientific evidence concerning the effectiveness of programs for treating drug abusers in correctional settings.

As a result of these concerns and other concerns, the Law Enforcement Assistance Administration developed the treatment and rehabilitation for addicted prisoners program and awarded grants to four States to conduct demonstrations of these programs. The States were Maryland, Connecticut, New Jersey, and New York. The number of requirements of the TRAP program, I won't go into unless you would like me specifically to do so, but they are mainly concerned with placing these inmates in a functional unit setting away from the regular prison population, exposing them to a very intensive program consisting of unusually intensive counseling, vocational rehabilitation, education in GED-oriented training, and so on.

Second, after they are released from prison they go into what they call a community release phase in which they go into essentially a halfway house-type of situation and the program continues for some time. The program in all takes about 12 to 18 months.

I would like to talk a little bit about the characteristics and backgrounds of these individuals that we are talking about. The mean age is a range of 24 to 27 years. A high proportion are black. The median education level attained is a little bit less than high school graduation. In terms of employment, which I know is of particular concern here, during the 12-month period prior to entering

the prison, of the Maryland inmates about 25 percent were employed at least part of the time, and for the Connecticut group about 33 percent were employed at least part of the time.

With respect to drug use during the 12 months before entering prison, about 66 percent of the Maryland clients had been using heroin during that period. About half of this group had been using heroin at least several times a week, and we could presume that they were probably addicted to the drug.

In Connecticut, 77 percent had been using heroin during the year preceding entering prison, and about half of them had been using it several times a week and were presumably addicted.

These TRAP clients in these 2 programs were very heavily involved in criminal activity, very heavily involved. Again, looking at the year prior to being incarcerated, of the 205 inmates admitted to the Connecticut TRAP program through June of this year, they had committed the following crimes: Property crimes, for example stealing and burglary, they had committed property crimes on a total of nearly 19,000 days. This is for the 205 inmates during the preceding year.

In terms of violent crimes, they committed crimes such as armed robbery, rape, or assault on a total of more than 1,800 days.

In terms of victimless crimes, for example gambling and pimping, these addicts committed on a total of nearly 10,000 days.

In drug-related crimes, such as sales and possession of illicit drugs, these had been committed on a total of nearly 55,000 days.

These days of crime totaled more than 85,000 during a 1-year period. The total number of crimes committed by these 205 individuals during the year is undoubtedly considerably greater than 85,000 because addicts commonly commit more than one crime on a given day.

Turning now to the results of the preliminary evaluation that was conducted of the Maryland program, I do want to emphasize that the results are very incomplete because the evaluation was discontinued by the National Institute of Justice prior to its scheduled completion because of funding cuts. There are, therefore, some limitations in interpreting the results which I have described in some detail in the appended paper.

Notwithstanding the limitations, the preliminary results suggest that the TRAP program in Maryland is very successful. I can't speak to the programs in the other three States because evaluation has not progressed to the point where we can make any statements at all on those three States.

So, focusing just on Maryland, in terms of heroin use only 23 percent of the Maryland TRAP graduates used heroin at all during the period after release. This is 6 to 9 months after release from prison, from the program, in the community. Of this 23 percent, the overwhelming majority only used heroin very infrequently; in other words, less than once a week. In contrast, 77 percent of these same graduates had used heroin during the 6-month period prior to entering prison.

In terms of arrest, only 5 percent of the Maryland TRAP graduates were arrested during the post-release period.

Mr. HUGHES. May I just interrupt for 1 minute, I thought you said that 60 percent of the Maryland graduates used heroin before.

Mr. BURT. Well, previously I was referring—I should have explained this—I was referring to all of the people who entered the program. Now I am only referring to a sample of the first 40 who graduated from the program, so I have shifted focus here. I apologize for not making that clear.

In terms of employment, during the 6 to 9 months after release, 85 percent of the Maryland graduates were employed at least part of the time, and only 8 percent obtained income from illegal sources during this postrelease period.

Mr. HUGHES. So, in other words, this sample of some 40 is confirmed in other programs, and it would appear as if you have reduced the incidence of heroin use to the point where you have gone from 77 percent down to 23 percent, rearrests are down to less than 5 percent, those who are rearrested for any offense, and they are employable, 85 percent are employable, which would seem to indicate it is a very successful program.

Mr. BURT. That is essentially correct. What we don't know right now firmly is how this marked success compares to people who are in what we call our comparison group. We do have some limited information on that, and based upon the first 15 people in the comparison group, these improvements are substantially greater than the comparison group. Until we finish analyzing that group, interviewing them, and so on, we can't make solid and substantiated statements about the success of the program, but the preliminary results are extremely impressive.

[Mr. Burt's prepared statement follows:]

The Treatment and Rehabilitation For
Addicted Prisoners (TRAP) Program

Statement of Dr. Marvin R. Burt, President
Institute For Human Resources Research,
Before the Subcommittee on Crime of the
Committee on the Judiciary,
U.S. House of Representatives--
October 28, 1981

INTRODUCTION

Numerous studies have indicated that a large number of drug abusing offenders enter state correctional systems. A major study conducted by the U.S. Bureau of the Census in 1974 showed that 61 percent of a national sample of inmates from 190 state correctional institutions throughout the country had used illicit drugs. Many of these offenders were incarcerated in prisons that offered little or no institutional drug abuse treatment services. Treatment services for those released on parole were also inadequate. It is believed that many of these offenders will return to illicit drug use and criminal activity after release.

The prognosis is quite poor for drug abusers who have progressed in their criminal and drug careers to the point where they enter state prisons. Recidivism rates are very high; these repeat offenders constitute a substantial proportion of inmates in correctional institutions and contribute greatly to the increasing problem of overcrowding. There is overwhelming scientific evidence that drug abusers can be effectively rehabilitated in non-correctional settings. But there is essentially no scientific evidence on the effectiveness of programs treating drug abusers in correctional settings.

In an attempt to ameliorate this problem, the Law Enforcement Assistance Administration (LEAA) developed the Treatment and Rehabilitation for Addicted Prisoners (TRAP) program.

The TRAP program was intended to:

- Improve coordination of the delivery of treatment services for offenders while they are incarcerated and on parole;
- Improve the information base for use in parole hearings, parole plans and parole supervision;
- Decrease the use of illicit drugs by inmates placed on parole through this program; and
- Decrease recidivism rates among program participants and graduates.

The TRAP program has required a 12 to 18 month program for voluntary participants that encompasses a six to eight month correctional phase and a six to nine month parole phase.

The inmates in the correctional phase must be housed in a functional unit setting designed to treat a minimum of 30 inmates at any given time. The following elements are required for each TRAP project:

- A classification procedure to screen and identify all inmates with a history of drug abuse, candidates must volunteer for participation in TRAP;
- A coordinating committee evenly composed of inmates and staff;
- Supportive services for participating inmates (e.g., medical examination, vocational training, educational training, etc.);
- Three hours of group counseling and three hours of individual counseling for each participant each week as well as one hour of alternative therapies per week;
- Utilization of the Mutual Agreement Pact (MAP);
- A process for identifying and evaluating community based treatment resources for use by the participants; and
- Use of urinalysis in both the correctional setting and during parole.

In 1978, the LEAA awarded grants to the states of Maryland and Connecticut to establish TRAP programs. The LEAA recognized the need for careful documentation and assessment of the first TRAP projects so that other states might benefit from their experiences. The Institute for Human Resources Research (IHRR) was awarded a grant by the National Institute of Justice to conduct comprehensive evaluations of the Connecticut and Maryland TRAP programs. Later, the LEAA funded TRAP projects in New York and New Jersey and the Institute for Human Resources Research was awarded national evaluation grants to evaluate those programs also.

The TRAP programs have operated for more than three years in Maryland and Connecticut and for about two years in New Jersey and New York. There has been a very large investment in these programs, amounting to nearly \$3 million, and the National Institute of Justice-funded evaluation has cost nearly \$250 thousand to date. There has been a great deal of professional interest in the outcome of the TRAP evaluation; it is widely regarded as unfortunate that the evaluation has not been continued.

The TRAP programs are viewed very favorably by key officials in all four states. This is evidenced by the fact that all four states have continued the TRAP programs using state funds after their Federal grants ended.

National Evaluation Methodology

The methodology being used in the national TRAP evaluation is composed of three major parts. First, is a formative evaluation focused upon an assessment of the process each TRAP project goes through in planning, developing, and operationalizing its program. Secondly, is a process evaluation; clients are tracked from the time they enter a TRAP program until they leave and their performance is assessed at each step in the process. The process evaluation focuses upon describing in great detail the specific services and procedures instituted and offered in the various phases of each TRAP project. Finally, and most important, is the outcome or impact evaluation phase; this focuses upon measuring the behaviors of clients six months after they have completed all phases of TRAP and comparing these behaviors with those of a matched comparison group consisting of people who were eligible for TRAP but did not enter.

Thus, there are two groups for each of the four TRAP projects. One is a treatment group (the TRAP clients); the other is the comparison group that is matched to the treatment group by certain key characteristics. We are measuring the behaviors in terms of drug use, criminal activities and pro-social activities (such as employment) during the pre-incarceration period and then comparing them to the behaviors during the post incarceration period (i.e., the six month period after study subjects are through with all phases of TRAP, or in the case of the comparison group, the six month period after they leave prison).

Two types of measurements are being made: one is the comparison of the post-period behavior with the pre-period and, second, is the changes in behavior between the pre-and post-periods comparing the treatment and comparison groups. This is done for each TRAP project. The principal types of measurements being used are shown below:

<u>Pre-Incarceration</u>	<u>Institutional Period</u>	<u>Post-Program/Prison Period</u>
Drug Use	CIES	Drug Use
Criminal Activities	Depression	Criminal Activities
Prior Treatment	Alcoholism	Employment
Employment	Attitudes/Experience Regarding Program	Psychopathology
	Client Satisfaction	Depression
	Suggested Program Changes	Alcoholism
	Rule Infractions	Drug Treatment
		Client Assessment of Program

Client Characteristics and Backgrounds

For the Maryland and Connecticut projects, the median age of clients is in the range of 24 to 27 years; a high proportion of clients are black; and the median educational level attained for both groups is high school graduation. During the 12 months preceding entrance to prison, 25 percent of the Maryland group were employed as were 33 percent of the Connecticut group. With respect to drug use during the 12 months before entering prison, 66 percent of the Maryland clients had been using heroin during that period;

43 percent of this group had been using heroin at least several times a week. In Connecticut, 77 percent had been using heroin during the year preceding entering prison and 46 percent had been using it at least several times a week.

The TRAP clients were very heavily involved in criminal activity. For example, during the year prior to being incarcerated, the 205 inmates admitted to the Connecticut TRAP program through June of this year had committed: property crimes (e.g., stealing, burglary) on a total of nearly 19,000 days, violent crimes (e.g., armed robbery, rape, assault) on a total of more than 1,800 days, victimless crimes (e.g., gambling, pimping) on a total of nearly 10,000 days and drug related crimes (e.g., sale, possession) on a total of nearly 55,000 days. These days of crime total more than 85,000 during the one year period.¹ The total number of crimes committed by these 205 individuals during the year is undoubtedly considerably greater than 85,000 because addicts commonly commit more than one crime on a given day.

Program Effectiveness

Evaluation results are necessarily incomplete at this time because the evaluation was discontinued by the National Institute of Justice prior to its scheduled completion. There are therefore some limitations in interpreting the results to date; these are described in the appended paper. The limitations notwithstanding the preliminary evaluation results suggest that the TRAP program is very successful in Maryland. Because the programs started later, evaluations of the remaining three programs are not as far

¹There may be some double counting of days in instances where an individual commits more than one type of crime on a single day.

advanced and no outcome data are available for those programs.

Heroin Use

Only 23 percent of TRAP graduates used heroin at all during the period six to nine months after release into the community and most of these users only used heroin infrequently (i.e., less than once a week). In contrast, 77 percent used heroin during the six month period before entering prison and about half were regular users.

Arrests

Only 5 percent of the TRAP graduates were arrested during the postrelease period and only 8 percent received income from illegal sources.

Employment

During the period six to nine months after release, 85 percent of the TRAP graduates obtained income from a legitimate job or business; only 8 percent obtained income from illegal sources.

Conclusions

The substantial reductions in heroin use, illegal activities and arrests and increased employment realized by the TRAP graduates are very impressive. These improvements are substantially greater than those realized by a small comparison sample composed of comparable inmates who were not clients of the TRAP program. However, these findings are not conclusive because the evaluation has not been completed. If the evaluation were completed, and

the patterns presented here confirmed, the TRAP program would be judged very successful.

Unfortunately, the evaluation has ended prematurely and neither the National Institute of Justice nor the National Institute on Drug Abuse is committed to its completion. Therefore, we will never know whether the TRAP programs are successful.

Mr. HUGHES. Thank you.

The gentleman from Michigan.

Mr. SAWYER. This testimony has been very interesting testimony, but I don't have any questions.

Mr. HUGHES. I find it extremely interesting. Thank you very much. We appreciate your testimony, Mr. Burt.

Mr. Burt's testimony completes the joint hearings and the sub-committees stand adjourned.

[Whereupon, at 11:50 a.m. the joint hearings were adjourned.]

APPENDIX

TESTIMONY

OF

EDWARD J. KING

GOVERNOR

OF

THE COMMONWEALTH OF MASSACHUSETTS

Testimony for the Joint Hearing
on Crime and Employment Opportunities

An ex-offender without a job is very likely to become an offender over and over again. Yet the placement of ex-offenders into unsubsidized employment is extremely difficult. As a rule, ex-offenders are undereducated, unskilled and lacking in work experience. Employers are understandably reluctant to hire convicted criminals.

In Massachusetts we have developed the Comprehensive Offender Employment Resource System (COERS) program to address employment problems of ex-offenders by providing services ranging from education, World of Work orientation, skills training, job development and placement to post-placement support for both the ex-offender and the employer. These comprehensive services are costly, but when measured against the cost of continuing criminal activity, the benefits are substantial. We estimate that COERS services have resulted in a 58% decrease in recidivism for participants. A benefit-cost study of COERS has shown that for every dollar invested in the program, \$6.46 is returned to society in the form of direct contributions to the economy and in averted criminal justice costs.

The success of this Massachusetts program is due to its innovative use of interagency collaboration. COERS was created from funds from the Governor's Discretionary Grants for the Comprehensive Employment and Training Act (CETA) and from previously existing programs. Rather than reinventing a service delivery system, existing services for ex-offenders were incor-

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porated into one program, COERS, to provide comprehensive employment services at the least cost.

Prior to COERS, employment services for ex-offenders were fragmented among state criminal justice and employment and training agencies. Some programs served only the courts; some only specific correctional facilities. Some programs actively competed with others for the same clients and employers. Through the planning and design of a statewide service delivery system initiated through our CETA Governor's Grants, these programs were consolidated in the most cost-effective manner.

The pooling of resources has resulted in the coordination of ex-offender employment efforts by eight Massachusetts agencies including CETA Discretionary Grants, the Departments of Correction, Parole, Probation, Youth Services, Vocational Rehabilitation, Employment Security, and the LEAA State Planning Agency. In addition, local job training prime sponsors of CETA joined this interagency endeavor in the four urban areas where COERS operates.

Where previously there were many administrative structures for ex-offender employment services, there now is only one. Where previously there were duplicative programs, major employment and training services for ex-offenders now are integrated in centralized locations in four Massachusetts cities. Funds saved through the elimination of duplication are recycled for new services. This integration and coordination of services through COERS created a greatly expanded service delivery system at a saving of over \$55.00 per client.

Another benefit of the COERS design is its capacity to provide services to ex-offenders being released from state correctional institutions. While COERS provides services to all ex-offenders, priority is given to those returning to the community after a state prison sentence. The importance of employment for individuals requiring reintegration into society cannot be overestimated. Yet many state prisons are located in areas which are isolated from the urban residences of inmates. The statewide focus of COERS has enabled it to provide centralized outreach to the state prisons for its four urban centers. As a result, COERS has doubled the number of individuals receiving employment services upon their release from Massachusetts correctional facilities. There is little doubt but that this effort has contributed to the decreased recidivism rate.

While no price can be put on the value of public safety, COERS has demonstrated that public safety can be improved cost-effectively with the carefully coordinated use of federal and state resources. At a time of increasing concern for public safety and at a time of diminishing public resources, programs such as COERS assume an even greater significance.

LINKAGES BETWEEN EMPLOYMENT AND CRIME:A QUALITATIVE STUDY OF RIKERS RELEASEES

By Michelle Sviridoff and James W. Thompson

September 10, 1979

Prepared under Grant Number 77-NI-99-0059 from the National Institute of Law Enforcement and Criminal Justice, Law Enforcement Assistance Administration, U.S. Department of Justice.

Points of view or opinions stated in this document are those of the author and do not necessarily represent the official position or policies of the U.S. Department of Justice.

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ACKNOWLEDGEMENTS

This report relies on the work of a number of persons who are not part of the Employment and Crime Project at Vera. Among the staff of the New York City Department of Correction, we particularly wish to thank Ms. Janis Jeffers, formerly Director of C-76's Special Services Unit and then Superintendent John Cunningham. They, as well as numerous correction officers, extended every courtesy in orienting us to the institution, lending us needed space and office equipment and bringing to us the residents selected for interviewing.

Our research also received much welcome assistance from Mrs. Barbara Margolis and Mrs. Leila Stone from Project SPARK. Mrs. Margolis' extensive volunteer work in the City's correctional system has provided very valuable background information in guiding our work, in addition to her participation as an interviewer.

Section One: Introduction

The following presents the results of a study undertaken by Vera's Employment and Crime Project of adult male misdemeanants shortly after their release from New York City's correctional facility at Rikers Island. Beginning in April 1978, Vera interviewed 61 men approximately a week before their release from jail and successfully re-interviewed 40 of the releasees at least once within the next few months.* The study itself was in every sense a "pilot" exercise--our aim was to develop questionnaires, probe issues of the relationship between employment and crime in a key "high risk" population and examine the numerous problems of sheer coping that confront persons returning to society after a period of punitive confinement.

As it turned out, a valuable consequence of this relaxed approach was the opportunity to talk at length with our research informants. After the formal questionnaires were administered, some participants stayed longer to talk with us. In some instances, we gained permission to tape these sessions; often, we included colleagues in discussions relevant to the conceptualization of employment and crime relationships that was then occupying the greater part of our time.**

* For a description of sample selection, see Appendix A

**The results of that effort appear in Employment and Crime: A Research Design (Vera Institute of Justice, 1979).

In our unstructured discussions with the Rikers respondents, we discovered a number of linkages between employment and crime that had not been explicitly explored in the structured interviews. From the discussions we were able to develop a typology of possible linkages between employment and crime as they are manifested in individual behavior. It should be emphasized that this typology constitutes a first effort at constructing such linkages. The intent of this exercise was to produce, for design purposes, a set of categories descriptive of linkages between employment and crime that would be incorporated into subsequent research.

Material drawn from the structured interviews became useful in our subsequent attempt to determine the frequencies of various linkages between employment and crime demonstrated by the Rikers group. In some cases, information derived from unstructured conversations seems to qualify apparent employment-crime relationships indicated by survey data.

A. Characteristics of the Sample

Although the primary interest in the Rikers interviews is essentially qualitative, we did collect substantial survey data from the Rikers sample as a pilot exercise for forthcoming interviews with a larger sample of criminal court defendants. Before considering linkages between employment and crime in the Rikers group, it is useful to look briefly at the characteristics of the sample studied.

Rikers releasees, like other American jail and prison

populations, are mostly young, native to the locality, generally single or currently unattached, and drawn overwhelmingly from minority groups. (For a demographic description of the Rikers sample, see Appendix B, Table 1).

Respondents had generally low levels of educational attainment, with less than a third (31 percent) reporting any form of high school diploma, equivalency or otherwise. Thirty percent had not gone past ninth grade. Of those who did complete high school, 33 percent reported that they left school because of drugs or criminal involvement.

The Rikers releasees demonstrated extensive involvement with the criminal justice system. (For a summary of criminal justice system contacts, see Appendix B, Table 2). Only two of the 61 releasees studied had never been arrested before the arrest which led to their incarceration at Rikers (the sampled arrest). Most of the releasees had extensive records of previous arrests. Arrest records indicate that half the sample had been arrested more than eight times and that over a quarter of the sample had been arrested 14 or more times.

Of the 59 respondents who had been previously arrested, 75 percent had served time before. Although the median number of previous periods of incarceration is only two, a third of those who reported having been incarcerated had been incarcerated five or more times. Of the 45 who had previously served time, exactly one-third -- a quarter of the entire sample -- had been imprisoned for over two years out of the past five.

Rap sheets indicate that the sample was most likely to be arrested for burglary, petit larceny, robbery 3rd degree and robbery 2nd degree -- in that order. Property crimes predominated with 57 percent of the respondents currently serving time after conviction on property-related offenses. Many in the sample (another 25 percent), although not serving time for a property offense during this particular stay at Rikers, previously had been arrested for property crimes.

There were, however, very few and perhaps no "professional" criminals in the sample -- either in the sense of being highly organized and well-connected or in the sense of having developed significant skills. There was one specialist in burglary -- he did nothing else -- who was apparently not attached to any organized group. He was basically a loner who, recently, stole only when he was drunk. There were also a few self-reported con men, who could elaborate on their methods, but generally worked without organized connections; they would pick up a partner on the spur of the moment. There was also a single small-scale numbers banker who had at one time been fairly well-connected. He had a front operation and a few runners working for him. He was, however, currently avoiding his old neighborhood because he was unable to pay off a number that had hit. He was apparently not well-connected enough.

It is interesting that those in the sample who did speak of criminal success (a boastful cocaine dealer, a self-proclaimed small-time pimp) were doing time for an offense other than their

proclaimed specialty. There was a discrepancy between the illegitimate ways in which they said they could support themselves (selling marijuana, doing cons) and the small-time property crimes for which they "took a fall" (burglary, petit larceny). It was also interesting that, even if there was no distinct criminal specialization, many in the sample professed some criminal skill and talked freely about how to "do crime". One respondent told his version of how to rob a bank, another a method of stealing a Rolls-Royce, another speculation on how a major hotel heist was accomplished. Several of the respondents' fantasies about crime suggested a level of interest in criminal activity which the structured questionnaire was unable to explore.

Respondents demonstrated varying degrees of labor market involvement. (For a summary of labor market involvements, see Appendix B, Table 3). Although some respondents reported considerable labor market involvement, twelve (20%) had never had more than one job and four had never worked at all. There is a strong association between labor market involvement and age.

Over half of those that reported work (52%) had at one time held a job for over a year -- in fact, 43 percent had worked for over two years in a single job at some time. Yet a major part of the sample had only marginal work experience: a third (34 percent) had never held a job for more than six months at one time; 19 percent had never held a job for more than three months.

Analysis reveals that many of those who held jobs of long duration had not worked in some time. Nearly half of those who

reported work at some time (43 percent) had not worked at all in the year prior to arrest; over a quarter (28 percent) had not worked in over three years. Over half (57 percent) of all those who had not worked in the year prior to arrest did report holding jobs of over a year's duration at some point in their lives, suggesting that recency of last job must be considered in conjunction with duration of longest held job as a measure of labor force attachment.

Although some respondents reported considerable work, most jobs were low-level and low-paying. Nearly all of the jobs held fell in the bottom third of the Duncan scale of occupational titles.* Over half were in the bottom sixth of that scale. Such ranking indicates that jobs held by respondents were more similar than different -- uniformly low level, unskilled or semi-skilled employment. Such jobs offer little opportunity for advancement and few of the benefits -- medical coverage, sick days, tenure -- that accrue to what some economists label sheltered employment. Respondents earned the minimum wage or below (\$94) at 32 percent of all jobs reported. Two-thirds of the jobs paid less than \$125 a week and only 14 percent of the jobs paid over \$175 a week.** Wage levels for the Rikers sample were nearly uniformly low, in keeping with the generally low-level labor market positions.

Considering the low-level labor force position of our sample,

* See Reiss, Albert J. Jr., 1961. Occupations and Social Status
New York: The Free Press.

**The data on wages lump together full-time and part-time employment.

a surprising proportion had joined a labor union at some time in their lives; 35 percent of the sample had at one time been in a union, a percentage that probably reflects New York City's status as a "union town". For many in the sample (15 of 21), belonging to a union was simply a condition of employment, a chance attribute of having a job. It did not enhance their possibility of finding other jobs once they had left. One or two in the sample did tell us they could "turn to the union" to help find employment after release, although they would have to pay back dues before they could do so.

It is particularly interesting for a study of linkages between employment and crime that only eleven respondents (16%) were actually employed at the time of the Rikers arrest. The fact that so few were working at time of arrest, the fact that many did report considerable labor market experience, and the fact that there was little involvement with professional crime in the sample all seem to point to a strong relationship between unemployment and crime. It was with this expectation that we began our examination of individual linkages between employment and crime in the Rikers sample.

Section Two: Linkages Between Employment and Crime

Our examination of linkages between employment and crime in a small sample of adult male misdemeanants contrasts greatly with attempts by economists to establish relationships between crime and unemployment through exploration of national aggregate statistics. Most previous analyses have not been concerned with the behavior of individuals nor has analysis addressed employment-crime associations within specific segments of the social structure. Exploration of individually-mediated linkages between employment and crime represents an attempt to relate "macro" analyses to individual level phenomena.

Any study that attempts to give employment and other labor market factors a central role in explaining crime should at some point attempt to provide a description of the causal mechanisms that are believed to account for the statistical association observed. Without reference to such mechanisms, statistical data become merely "predictive" or "correlational". While this may be satisfactory for many purposes, it is extremely hazardous for research that aims ultimately at usefulness for program operators and policy makers.*

In this section, an exploratory account of one range of

*Many researchers do, apparently, feel comfortable with presentations of aggregate statistical data in which high correlations between unemployment rates and arrest rates are used to suggest a direct, individually-mediated, causal path from loss-of-employment to crime. However, these data are subject to misinterpretation, especially in terms of their implications for individualized vocational training and job placement programs.

individually-mediated "linkages" between employment, crime and other "third factors" is attempted. We emphasize here accounts by releasees of their experiences within small-scale interpersonal settings, together with behavioral data suggesting attempts to adapt to and cope with economic and non-economic dimensions of their immediate situations.

This emphasis does not mean that we discount the causal significance of larger ("macro-") factors in explaining income-oriented crimes. But we do suggest that a failure to examine systematically the manner in which changes in macro-systems (the economy, polity or society) translate into impacts on individuals runs considerable risks, and is of limited use to policy makers. Overly-simplified causal images may obscure complexly mediated behavior. The capacity of individuals to act, as well as react, may be ignored.

Finally, a spurious belief may arise that the causal impacts of economic factors (such as labor market failure leading to crime) are automatically "reversible" (i.e., that employment would induce all those engaged in crime to relinquish it in favor of legitimate work). Once an individual becomes involved in an unemployment/crime sequence, belated opportunities for employment may not always and automatically avert crime. The "criminal" adaptations that some sub-populations make to structural conditions, once made, contribute along with changes in macro-systems to future behavior. In some cases (e.g., gambling, "unlicensed" cabs) these "criminal" responses of the disadvantaged may be re-defined by community political elites as conforming to the standards of a somewhat changed social and

political order. In many other cases, the adaptations will continue to be regarded as criminal by affluent and poor alike.

But to understand any of this larger system of relationships between economic factors and crime, the attention of researchers should be drawn towards the concrete behavioral settings themselves. Some attempt to do this is made in the following discussion of employment and crime linkages, first by illustrating the variety of linkages themselves and next by providing some indication of the frequencies of the types.

A. The Variety of Employment and Crime Linkages

1. Work Averting Crime

For many releasees, work and crime are mutually exclusive activities. Respondents work or they steal in order to support themselves. Repeatedly, in our first interview, we were told that respondents had no income from illegal activities while they were working, although they reported considerable illegitimate income during periods in which they were not working. One respondent, who came back for a second interview, remarked:

"If you're working and you see something you want, you wonder how you're going to save enough to buy it. If you're not working and you see something you want, you wonder how you're going to take it!"

A few respondents claimed that loss of a job or inability to find work was directly responsible for their illegitimate activities. It is this kind of direct relationship that is generally brought to mind by aggregate studies of unemployment and crime rates. One respondent claimed to have turned to crime only after the loss of

his job and income. For another, depression over loss of a job was a mediating factor in his return to crime. Because the respondent was unemployed and had nothing to do, he became increasingly dependent on drugs which, in turn, led to crime. A third releasee, who had a few years of college education and one or two white collar jobs, claimed to have been searching for work for six months before his arrest. He said that when his pockets were empty he was "like a crazy man" and might do anything. He was rearrested shortly after his release from Rikers.

a. Family Obligations Antecede the Employment-Crime Relationship

For others in the sample, work was an alternative to crime only because their domestic situations created a prior commitment to conformity. In much of the delinquency literature, adolescents are said to "mature out" of crime into work when they marry.* A former pickpocket in our sample, for example, attributed his current lack of interest in crime to his new common-law wife.

Another respondent held a job for three years during the time that he was married. When his wife left him, he left his job and returned to drugs and burglary as a way of life. "The job didn't mean anything to me anymore", he said. "I didn't care about anything". Another respondent, with a substantial history of work at

*See, for example, Briar, Scott and Irving Piliavin. 1965. "Delinquency, Situational Inducements and Commitment to Conformity", Social Problems, 13 (Summer) 35-45; Matza, David. 1964. Delinquency and Drift. New York. John Wiley, and West, William. 1974. Serious Thieves: Lower-Class Adolescent Males in a Short-Term Deviant Occupation. PhD dissertation. Northwestern University.

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factories on Long Island, saw his return to illegal activities in causal terms. He was having a dispute with his common-law wife in the parking lot outside his job when his foreman interfered. He told the foreman to "butt out" which led to words which led to the loss of his job and a subsequent break-up with his wife. The breakup caused him to return to the city, illegal activities and jail.

Another respondent, with a 20 year history of crime ranging from larceny to armed robbery, had been a successful trucker with his own rig in the 40's. He blames a woman with expensive tastes for his "downfall" -- heroin addiction and the loss of his truck. Yet he felt that his current domestic situation was conducive to work rather than crime. He has a child now. Since he's been home, however, his woman's been "looking at him cross-eyed". He felt that if he had a job -- even if the income was insufficient or even if he were stealing on the side -- she would respect him. In other words, crime would be excusable, as long as he "did right" and had a legitimate full-time job. It is interesting that even the commitment to conformity model, in which a man seeks work because of family ties, admits an intermingling of crime and employment. It may be that employment offers advantages (regularity of income, respectability, occupying time) which to some extent can complement the economic returns of illegal activity.

b. Work Moderating Crime Frequency or Severity

For others in our sample, work and crime remained separate

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activities which, though capable of being carried on simultaneously, tended to have the effect of dampening involvement in the other. One respondent, who worked in the Wall Street area, would go out once a week at lunch hour and pick pockets. Another was arrested for purse-snatching during a period of employment. A former employment program participant had engaged in small burglaries on the week-end. Yet for these particular respondents, either losing or leaving their jobs meant an acceleration of criminal acts. They hustled at least twice as much when they were unemployed. For this population, more or better work might effectively deter crime.

2. Work Concurrent with Crime

Although many respondents claimed to engage in work and crime as alternative activities, it became clear in our follow-up interviews that for some respondents work and crime were not mutually exclusive. For some, work had become a way of expanding or enhancing criminal activities. For others, work and crime simply did not interfere with each other.

a. Work as a "Cover"

In some cases, work was used as a cover for crime. A small-scale numbers banker, who had worked his way up from runner, used a gypsy cab operation and a bogus bike shop as a front for his real business. One respondent informed us that having a job was a good cover for selling drugs. "If you're stopped on the street by the police with \$1,700 in your pocket it looks bad if you're not working."

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Another respondent had formerly used his job as a taxi-driver as a cover for drug deliveries and sales. He kept the meter running and wrote off \$90 a day as a business expense.

b. Work as Providing Capital for Criminal Activity

Other respondents intermingled work and crime in order to get an economic stake for either legitimate or illegitimate businesses. One respondent planned to use legitimate employment to earn \$500 for a pound of marijuana to "get back on his feet". Another respondent reported having worked at day labor during a period of heroin addiction in order to get enough heroin not to be sick so that he would be able to go out at night and steal.

c. Crime as Providing Capital for Employment Opportunities

Conversely, criminal activities at times provided an economic stake for employment opportunities. One respondent engaged in petty crimes in order to finance a licensed t-shirt peddling operation. Although such activity was uncommon in our sample, it is likely that such activity is prevalent among those involved with more organized criminal activity. Francis Ianni considers several examples of this linkage in detail.*

d. Work as Providing Criminal Opportunities

Other releasees saw work and the work network as a means of

*Ianni, Francis. 1974. Black Mafia: Ethnic Succession in Organized Crime. New York, Pocket Books.

expanding illegitimate sales. They referred to expanding marijuana and numbers sales through work connections. Other respondents reported quasi-legal enterprises on the job, selling socks, hats, watches. It was not clear whether these items were being fenced or whether they were legitimate purchases resold without a peddler's license. Indeed, since many respondents were marginally employed or under-employed, it is not surprising that they eked out a living in this fashion.

One respondent saw work as the locus of opportunities for employee theft. When asked how much he was making at his last job, he responded "\$100 and all I can steal". Another respondent, one of the few who had found employment since release, claimed he never had a job where he didn't steal. When he worked in a hospital, he stole baby socks, sheets and embalming fluid, which he sold to marijuana dealers to enhance "bad reefer". When he worked in a bank training program, he stole \$50 the moment he had the chance. His heaviest arrest, for which he did four years upstate, came when he pulled an armed robbery at the office building where he worked, having observed when most cash was available out of the safe. Since his release, he claimed to have worked 30 days at a large discount store and to have stolen four t.v.'s, ten tennis outfits and six pairs of sneakers. This respondent not only mixed welfare payments with employment and crime, but also welfare with unemployment insurance and crime, after he had been laid off from the hospital. Although work for this individual was generally instrumental to crime, when he was not working he became heavily involved with drugs, drinking, armed robbery and street crime. When he was working, all his crime was job related.

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Another respondent spoke of a different way in which work provided connections for illegitimate activity. He was intrigued by a recent string of successful hotel robberies and hypothesized that they must have been "inside jobs". People like him, he said never had the connections for that kind of crime. He was unable to gain entry into a world of work that provided opportunities for more sophisticated crime. He saw himself as a petty street thief, stuck at the lower level of the illegitimate economy because he was unable to move far enough in the legitimate sphere.

3. "Discouraged" Workers (or "Encouraged" Criminals)

Some releasees have given up on work entirely and devoted themselves to illegitimate activities. One respondent, who had never worked and does not intend to work, claimed to have made over \$600 in the two weeks since his release doing five or six short cons and pimping for a single prostitute. Still others, who claimed to want to work, nevertheless felt quite comfortable and relatively safe relying on marijuana sales for income with a little hustling on the side. One such respondent, who claimed to read a lot in his spare time, offered to sell an interviewer a labor law book he was carrying and expressed interest in establishing a drug selling arrangement at Vera's research office.

Fantasies about successful crimes were not unusual in our interviews. A car thief, who had been caught after a spectacular chase that began with his running a red light, volunteered elaborate plans for stealing a Rolls-Royce. He would need a chauffeur's

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uniform and a well-dressed white friend. He might get the needed uniform by tying up the existing chauffeur and stripping him. If necessary, the chauffeur would be "bumped off". Although the respondent knew several places in the city to dispose of stolen vehicles and knew how much money he could get for different makes and models of cars, at this point in the interview he was clearly verging into fantasy. So were the two or three respondents who claimed to be actively considering the methods and risks of bank jobs. "When they get caught", said one respondent, "it's always because of some woman."

The image of the hustler and con-man made a strong impression on several respondents in their early twenties. These respondents had -- for a brief time at least -- done well on the streets. A numbers banker who came in for a taped interview, offered a description of "the life":

Have you ever been out there with a hustler? I mean spent time with someone making, not like a job... someone out there making the money? You spend it on enjoying yourself. You buy cocaine, you treat people everywhere you go. You buy jewelry...fancy clothes. You pay \$3-400 for a suit, close to \$200 for a pair of shoes. Because you never had it like that...So when it comes, you spend it just as quick as it comes...you get into a lot of things. You got...power...pure power.

Respondents were generally far more animated when discussing successful criminals and crime fantasies than they were when defining the kind of job they would "most like to have." For most of our respondents, work tends to be humdrum, low-level and not well respected. In crime, rather than in the legitimate occupational sphere, respondents

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can more easily envision themselves in grander roles than their daily lives allow. This is true even when the actual criminal roles of the respondent are no less routine than are their work roles. Apparently, at least in imagination, there are fewer barriers to upward mobility in crime than in employment.

The qualitative interviews showed another activity pattern that, while conceptually distinct from a crime-employment linkage, merits some discussion. Some respondents who claimed to have no illegal income while they were working had no qualms about mixing employment with public assistance. At least two SSI recipients supplemented their benefits with odd jobs as handymen, in private clubs, or -- in one instance -- babysitting. One welfare recipient has worked a few days off the books in the garment center while receiving welfare. He claimed that he was about to be promoted to a full-time "reportable" job as a materials presser, when detectives started investigating him at the job because of his former record. He left the job and returned to crime. He was subsequently cleared of suspicion for the crime for which he was under investigation. Such respondents seem to supplement their public assistance alternately with either legitimate or illegitimate income. Incarceration, in these instances, had not interrupted their benefits. While these activities indicate no direct connection between employment and crime, and thus are difficult to treat conceptually in a discussion of employment and crime linkages, they do point to an important income strategy of "high risk" populations that will be considered in the Employment and Crime Project's research.

On the whole, the interviews at Rikers revealed a number of unexpected relationships between crime and employment, many of which serve to qualify the hypothesis that unemployment leads to crime.* Some of these linkages between work and crime -- employment as a cover, employment as a way to get a "stake" for illegal activities, employee theft -- provide evidence that the conception of automatic opposition between employment and crime is a false one. Although both employment and crime provide income, they are not necessarily alternative income sources. They may be mixed together; they may be complementary. Yet, although the Rikers interview material reviewed so far offers qualitative evidence that some releasees mix employment and crime, it as yet provides no idea of the proportions of the sample who do so in various ways. An attempt is made in the following section to get rough quantitative estimates.

B. Quantitative Patterns in the Distribution of Employment-Crime Linkages

Discussion of the variety of linkages between employment and crime has so far developed as a purely qualitative account. There are many reasons why emphasis should remain at that level. Many employment-crime linkages did not become evident to the researchers from inspection of the formal interview records; rather, they were manifested in informal discussions with releasees. Other times,

*For a review of qualitative linkages between employment and crime in a somewhat younger population, see Section Three below.

no specific evidence suggested how some releasees should be classified and guesses had to be made. Finally, many respondents manifested traits belonging to two or even more linkage types. Releasees also appeared to shift patterns at different times. Thus, although the available data do shed some light on the proportion of respondents that exemplify a particular employment-crime linkage, quantification is at times as clumsy as it is at other time revealing.

1. Illegal Income While Working and Not Working

Table 1 on the following page presents one crude but useful summary of the way releasees reported their over-all orientation towards working and obtaining income illegally. Releasees were asked at the initial Rikers interview:

How much illegal income did you have during your longest period of employment? How much did you have during a recent period of unemployment?

Releasees' responses to these questions suggest that a majority did not engage in illegal activities while they were working, but did when they were not. If this were indeed the case, it would seem to support findings from other studies using aggregate data of an individually mediated correlation between unemployment and crime. Yet, even granting such a correlation, we still are unable to determine the direction of causality -- whether unemployment leads to crime or the choice to commit crime leads to withdrawal from the labor market.

TABLE 1

Conditions Under Which
Illegal Income Obtained

(Frequencies Only)

		<u>Obtained While Working</u>		
		+	-	
<u>Obtained While Not Working</u>	+	++ 14	+- 30	44
	-	-+ 1	-- 8	9
		15	38	53

Table 1 cross-classifies releasees according to whether they report illegal income while working (represented by the "+" and "-" columns) and also according to reports of illegal income while not working (the "+" and "-" rows). Thus, the four cells in Table 1 show the number of releasees who manifest each of the possible combinations of reports. Aggregate research relating unemployment and crime rates suggests that one cell in Table 1 would contain nearly all of the respondents: the "+" cell -- namely, those who obtained money illegally while not working but not while working. Indeed, fully 30 of the 53 releasees (57%) fall into the single cross-classification. Of the 30 who reported illegal income only when not working, however, two had never worked and appeared unlikely to work

in the future. They had clearly chosen crime over employment. Two others had been arrested for property crimes during periods of employment, a fact which seems to contradict their self-reported abstinence from illegal income while working. The remaining 26 do seem to exemplify a linkage leading from unemployment to crime.

The other three cells in Table 1 are "deviant" in one or two respects. The upper-left cell, for example, contains 14 releasees who report illegal income while not working, as expected, but who also report it while employed. For most of this group, crime was a supplement to legal income. Yet three respondents reported virtually no difference in illegal income between periods of employment and unemployment. For this group, employment apparently had no impact at all upon criminal activity. Another three respondents reported more illegal income when working than when not working. They used employment income as an economic stake for criminal activity. Two sold drugs and one gambled. In summary, the "++" cell roughly represents the "employment concurrent with crime" linkage with its various sub-types (work as a "cover", etc.) described above in qualitative terms. Taken together, 26 percent of the respondents fell into this cross-classification, which seems next in plausibility to the alternation of legal and illegal income discussed above.

Next, eight releasees (15%) fall into the lower right-hand or "--" cell. These individuals reported no illegal income, either while employed or otherwise. Of course, while the responses of those in the other three cells can be given credence because they did admit to obtaining income illegally (and after all, they were interviewed in jail), these eight

releesees denied getting money illegally under any circumstances.* No definite conclusion can be drawn from their reports concerning the typology of linkages.

Finally, Table 1 contains one, and only one, truly deviant case.** One releesee told us of obtaining income illegally while working and not while not working. This person drove a cab and used it as a cover for drug-selling. Whatever reservations must be made because of its small number of cases, the crudeness of the categorization and the reliance on self-reports, Table 1 nevertheless provides a bit of additional support to the views both that employment-crime linkages are varied and that the association between unemployment and crime is by no means perfect.

2. Gap Between Last Employment and Arrest

Another indication of how to place releesees within the available array of employment-crime linkages is afforded by data relating the date of a releesee's arrest with the period of his last employment. Such an analysis is also motivated by the finding that many respondents had not worked in several years. In other words, even though the analysis presented just above indicates that the majority of respondents report illegal income

* In five cases, these responses were plausible. The respondents involved had been arrested for non-property crimes. Yet the other three respondents had a history of property crimes. Their responses are of questionable validity.

**There were, in addition, eight respondents who did not answer: one had never worked and specialized in crime; two had not worked for over seven years and had extensive criminal records. Had they answered, it is likely that their responses would have added to the group of 30 who only had criminal activities when unemployed. It is ironic that some of the most crime-prone respondents fit in this group. Another of the eight not responding had no history of property crimes--only assaults. Another claimed to have been "straight" and working for the past two years until he was arrested for a two-year old warrant. The remaining three seem to alternate between employment and crime.

from property crimes while not working, the conclusion that work effectively averts crime must be qualified by scrutiny of when respondents were arrested in relation to their last date of employment. The fact that some were arrested while they were working would seem to qualify the assertion of a universal and direct link between employment and crime. Those who were arrested within a short time after loss of employment (e.g., six months) can be considered most likely to manifest a causal link between unemployment and crime. It may be that the loss of a job (quitting, being laid off or fired) led to a return to or acceleration of criminal activities and subsequent arrest. Those who have not worked, on the other hand, seem likely to have chosen or drifted into crime over employment. Even if they claimed more illegal income when unemployed than employed, their employment history is so sparse that it has had very little impact on past criminal activity.

Table 2, on the following page, presents a classification of releasees according to the amount of time that has elapsed between last employment and arrest. For each category in the Table, some comments are supplied that attempt to summarize the employment-crime linkages manifested by releasees in the category. The range in Table 2 goes from 11 respondents who reported being arrested while employed to a final group of five respondents who have never worked. Each group is described in some detail in the "comments" panels of the Table. An overview of the data suggests considerable remaining diversity of employment-crime linkages within each category of elapsed time from last employment to arrest. It is true that the largest group is again the potential "causal linkage" group. Twenty-three respondents were arrested within six

TABLE 2

APPARENT EMPLOYMENT-CRIME LINKAGES
RELATING TIME ELAPSED BETWEEN
LAST EMPLOYMENT AND ARREST

<u>Delay Between Last Work and Date of Arrest</u>	<u>COMMENTS</u>
1a. Arrested while working <u>18%</u>	1b. Only one arrest out of 11 was for a non-property crime (coercing a witness). One arrest was on a two-year old warrant and another for a parole violation because the respondent had enlisted in the Marines. For these three respondents, employment may indeed be functioning to avert crime even though arrest was concurrent with employment. For two respondents, employment served as a cover for crime. Two other respondents, who had claimed no illegal income during their longest period of employment, were nevertheless arrested for property crimes. The fact of their arrest seems to qualify their income assertion. At least three other respondents arrested during a period of employment were working at irregular jobs "off the books" and collecting public assistance at the same time.
2a. Arrested within 6 months of last job <u>38%</u>	2b. Two of the 23 respondents had been laid off shortly before their arrest. They are candidates for a direct unemployment to crime linkage. One respondent had not worked for years except for a recent period of employment that preceded his arrest. For this respondent, employment was just a brief respite in a long history of crime.
3a. Arrested between 7 months and 3 years after last job <u>15%</u>	3b. Again, one of the nine respondents had not worked for 10 years except for a short period of employment in 1976. Another respondent was currently out of the labor market, a con man and hustler, no longer looking for work. The other seven respondents appear to be at best intermittent members of the labor force.
4a. Arrested more than 3 years after last job <u>21%</u>	4b. Four of thirteen had not worked for over seven years. One had worked for two weeks in 1973. This group appears to have dropped out of the labor market altogether. Self-reports of more illegal income during periods of employment than non-employment from this group should be qualified by the fact that they hadn't worked in many years.
TOTAL 92%	
(56)	
Never 8%	
Worked (5)	
<u>100%</u>	
(61)	

months of last employment, a number smaller than the 30 releasees who were earlier (Table 1) found to report illegitimate income when unemployed, but none when employed. But the Table 1 data are in some cases qualified by the fact that some releasees were arrested for property crimes while working and in other cases by the fact that they simply had not worked in several years. Neither the Table 1 approach, using self-reports of illegal income while working as against not working, nor the Table 2 method of looking at gaps between dates of last employment and arrest supply us with evidence of a clear-cut causal link between unemployment and crime. In the first instance, the difference in illegal income during periods of employment and non-employment suggests that many people alternate between work and crime as sources of income. In the second instance, the fact that for the modal group acquisition of the status of "unemployed" was soon followed by arrest establishes only a temporal connection between the two events. We still do not know if a decision to do crime led to unemployment or unemployment led to crime.

3. Directly Counting the "Linkages"

Besides attempting to estimate the frequency distribution of employment-crime linkages by the two indirect means presented above, a more direct if also highly subjective method can be utilized. It is possible to attempt to count the kinds of linkages demonstrated by individual respondents, yet such counting is tentative. One respondent, for example, who used employment to get "straight" enough to hustle was also receiving welfare at the same time. The fact that he exemplified the "economic stake" linkage seems more significant than his particular welfare hustle. It is, of course, important to note what kinds of linkages overlap, but for purposes of counting it is also

necessary to make a decision about the most important linkage in the individual's situation. In other cases, where the respondent has not volunteered any extra information about himself, it may be difficult to discern any particular linkage at all. In these instances, only the illegal income question discussed earlier offers an indication of an employment-crime pattern. Such respondents generally fall into the "alternate between employment and crime" pattern.

Table 3, on the following page, shows how releasees were placed into each of nine linkage categories. Once more, the linkage involving alternating between employment and crime, in which work appears effectively to avert crime at least for some time, emerges as the modal category. However, upon closer examination, it seems that the pattern of alternation may itself result from several quite distinct underlying phenomena. Some releasees appear to drift out of crime when an employment opportunity arises and return to crime when employment ends. For others, the interaction may be more complex. Many releasees endorse a form of the "Monte Carlo" fallacy: they feel the greater the frequency of crime, the greater the probability of arrest for any particular subsequent crime. One respondent told us about a similar but essentially correct principle: "The Brooklyn Law of Averages" states that if you do enough crime, you're bound to be arrested.* It may be that "alternating" criminals take work when they feel that the risks of being caught have become too high. They work as long as they can stand it -- until boredom, or hassles

* For a discussion of this and tables showing the cumulative probability of arrest after varying frequencies of criminal acts and with varying chances of arrest upon each occasion, see Glaser, Daniel. 1978. Crime in Our Changing Society. New York. Holt, Rinehart and Winston.

TABLE 3
 Distribution of Releasees
 According to Type of Employment-Crime Linkages
 (Subjective Appraisal)

<u>LINKAGE TYPES</u>	
Alternating Work and Crime	26%
Committed Criminal Pattern	13
Welfare and Hustling*	13
Commitment to Conformity	8
Work to Get A Crime "Stake" or vice versa	8
No Illegal Income	8
Concurrent Work and Crime	5
Unemployment-leads- to Crime	5
Work as a "Cover"	3
Other	10
Total	<u>99%</u>
(n)	(61)

*Conceptually a distinct though important relationship.
 See discussion, pp. 19-20.

from a supervisor, or scanty wages become too much to bear. After six months at a job, the perceived risk of doing crime may have seemed to diminish. In this fashion, some of those who alternate between crime and employment may do so in order to cope with stress by off-setting different stress types intrinsic to each form of activity. For this group, improved quality in type of work might have some crime-averting effect.

Most of the other patterns evident from examination of individual cases within each linkage type have already been discussed in similar terms in the other linkage typologies. An exception may be the commitment to conformity pattern. For five respondents, work was significant because of prior commitments to conformity -- marriage; family; a common-law wife. In one case, the underlying commitment was itself tenuous. An adolescent held a job to please his mother, but kept on stealing while he was working (albeit somewhat less than when not working). He did not want his friends to know that he had a job. He was still deeply attached to his peer group, and maternal pressure to conform was not enough to counteract its influence.

In summary, while it appears possible to make some quantitative estimates of the distribution of employment-crime linkages, it is perhaps more important to acknowledge the extreme variety that remains regardless of attempts at simplification. In a few cases, work is not at all a deterrent to crime and may in fact actually enhance criminal activity. The number of respondents who exemplify any particular deviant linkage between employment and crime (employment as a "cover", work to get a crime "stake") may not be large, but the cumulative number of cases that depart from the simple model of unemployment-leads-to-crime probably exceeds half of the entire sample. The existence of a variety of relationships between employment, crime and other factors should be brought to the attention of program developers.

Section Three: Broadening the Perspective

The concept of plural linkages between employment and crime developed in the Rikers interviews gave rise to much speculation about inter-relationships between various linkages and ways in which individuals might move from one type of linkage to another over time. Opportunity to expand such speculations was afforded by review of a few in-depth, unstructured interviews conducted earlier in the project with eight persons from a quite different population: participants in an evaluation study of the New York City Court Employment Program (CEP).*

The CEP-derived in-depth interviews were of study participants recommended by the evaluators of CEP as "particularly articulate" respondents. Since they were selected on the basis of being good respondents, the group interviewed is in no sense representative of the CEP sample as a whole. They do, however, share characteristics in common with the sample that tend to differentiate them from the Rikers respondents. The CEP respondents are generally younger than the Rikers group (of eight, only two were over 21) and have far less extensive criminal histories. Because they are younger, they also tend to report less work experience than the Rikers group as a whole. Comparison between employment-crime linkages displayed by both the CEP group and the Rikers sample suggests a set of distinct stages of movement between linkages in the course of individual careers. Since the CEP group is younger and less experienced with both crime and legitimate employment, the categories of linkage may be somewhat age related. Indeed, the CEP and Rikers samples may represent

* The results of that evaluation are reported in Baker, Sally and Susan Sadd. The Court Employment Project Evaluation: Draft Final Report. March 1979. New York. Vera Institute of Justice.

successive stages of a winnowing process that results in increased criminal involvement for some and decreased involvement for others.

A. Linkages Between Employment and Crime in a Younger Group

The CEP respondents had much less to report concerning both employment and crime than the Rikers sample. It is not surprising, therefore, that few linkages between the two emerged during exploratory interviews.

One respondent, however, displayed a number of linkages. He reported that he had been selling marijuana until he got a job as a security guard by lying about his age, a job he kept for over a year. He did not hustle while he held the job, but "had somebody else doing it for me." He was able to minimize the "opportunity cost" of becoming employed by farming out his business to a friend. Although the returns of hustling were diminished, the combined income from his two ventures was greater than that supplied by either alone. He eventually left the job because he didn't like the hours and returned to selling marijuana as a full-time activity.

The same respondent gave support to the common "unemployed youth" explanation for hustling activities:

The only reason I'm into this right now is because I can't find a job. I've been seeking employment for quite a while you know and can't find it so the only means of support is going out there and hustling until I find a job.

He apparently viewed himself as forced to hustle because he was unemployed, even though he left his last job voluntarily to return to the street. His explanation is also qualified by his low tolerance for

the kinds of jobs available to him.

That's one thing I don't like about jobs. See... out on the street...I can make close to \$300 a night if I were to stay out there 5 to 6 hours... whereas if I was working I would make close to \$200 in two weeks and that's one thing I don't like about working.

This single respondent partly embodies a number of distinct linkages between employment and crime. For a while, he managed to combine the two simultaneously. He alternated between employment and crime as his intolerance for low-level employment peaked or conversely as he was drawn toward the straight life ("I prefer a legit job because you don't have to worry about cops.") At times, he was "unemployed youth", forced into crime because he could not find a job. At times, he was the perfect economic man, weighing the costs and benefits of alternative activities. Finally, he considered giving up crime entirely because his girlfriend wanted him to, and he didn't want his baby daughter to know about his criminal involvements. It is likely that a movement from a pattern of alternation between employment and crime (as a testing of various options) into a "commitment to conformity" (choice of employment because of family responsibility) is common to "high risk" youth "maturing out" of crime.

Other respondents shared the belief that unemployment was responsible for much of the street crime in their neighborhoods. "I see guys doing any and everything to get something--just to get some spending cash, selling copper, robbing people, and really all they need is a job." Another respondent saw employment as a deterrent to the criminal activities that were rampant in his neighborhood:

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I know I'll meet my friends there (the poolroom). And they'll think of a crime to do and then I'll say no. They'll think of something. They always think of something to do...

I know a lot of people, they really crime people. But if they get a job they'll stop what they're doing. Some of them aren't really trying.

This particular respondent was currently working -- somewhat irregularly-- at a carwash near his home, a job he was thinking of quitting.

If it don't pay too well I'm going to go back to... where the money is good. If the job pays good, I'll go to the job. If the street is good, I'll go to the street.

This kind of calculus, a weighing of the relative merits of street life and working life, frequently accompanies the claim that employment will make a difference.

They was making \$200 a day in the street \$150 a day, gambling, stealing. And now they gonna work, ten hours a day, seven days a week for \$125?

Such reasoning supports the economists' claim that, for some, crime is a rational economic activity. It appears that employment alone is not enough to have more than a slight, temporary impact on criminal activity among youth who are involved in property crime. Employment must be good enough, either pay enough or offer the promise of advancement, to compete with life on the street.

The CEP respondents seemed particularly aware of employment and crime as competing alternatives. Although it was common in the group to conceive of unemployment as in some sense a cause of crime, it was equally common to weigh the relative merits of the two activities, giving rise to a fair amount of alternation between employment and crime. Such linkages -- unemployment leading to crime and alternation between the two -- appear to be the prevalent modes for "high risk" youth.

B. Movement Between Linkages: Stages in the Employment-Crime Relationship

Exploration of the relationship between employment and crime for CEP participants can be seen as complementary to the earlier review of linkages between employment and crime for the Rikers sample. The two groups represent different stages in the process of getting into and out of illegitimate involvements. The contrast between the kinds of employment and crime linkages evidenced by the two groups suggests that different linkages obtain at different stages of individual development. It is possible to construct a stage model of linkages between employment and crime from an exploration of this contrast.

For "high risk" youth, the model suggests that unemployment and dropping out from the labor force due to the absence of legitimate opportunities relate to crime; illegitimate activities at this stage offer far more visible sources of income than legitimate ones; in expressive terms, perhaps more desirable avenues as well. The model further suggests that somewhat later a pattern of alternation between employment and crime might develop, as unskilled, low paying secondary work roles, characterized by instability and frequent turnover, encourage exploration of criminal alternatives. At the same time, the escalating risks of criminal involvement may lead some back into secondary employment. Still later, for many youths, household formation or other "commitments to conformity" might end the pattern of alternation with a settling into work roles, representing at this stage a more conscious adherence to conventional values, a "maturing out" of crime.

The variety of linkages demonstrated by the Rikers group represents perhaps more elaborate adaptations to economic conditions, prevalent at later stages. A substantial number of Rikers respondents do continue to demonstrate a pattern of alternation between employment and crime into adulthood, yet it is likely that alternation gradually slows with age and experience. Other linkages, however, differ markedly from those demonstrated by the CEP group.

For those who mix employment and crime in the same period -- either by stealing from the job, stealing in "off" hours, using employment as a cover for crime or using income from employment to finance illegitimate activities -- employment is a necessary pre-condition. It is natural that such linkages are concentrated at later stages than those demonstrated by "high risk" youth, simply because employment itself is more likely. The first two types of mixing employment and crime -- either stealing from the job or "moonlighting" at crime -- are probably also displayed on occasion by the younger group (the marijuana dealer, who farmed out his "business" while he was working) but to a lesser degree. Such individuals may be "copers", using crime as a supplement to inadequate income. Those who use employment as a cover or to provide an economic "stake", on the other hand, may be more committed criminals already involved in criminal networks. Employment for them is secondary and instrumental to criminal ends.

No group appears to engage in crime exclusively.* Those who have not worked in several years, if at all, tend to be even older and are members of dependent populations, SSI or welfare recipients. They have

* "No group" that is, that becomes accessible to researchers through conventional criminal justice procedures.

been disabled by years of alcohol or drug abuse, and although they may remain essentially street criminals, they are disorganized and unconnected, supplementing inadequate public assistance with a little crime on the side.

It is likely that, for many ex-offenders shortly after release, the disruption and disorganization attendant upon re-entry into the community may shift employment and crime trade-offs in favor of crime. Only their age and perhaps recently made resolves "not to come back" stand in the way, since ex-offenders are a particularly disadvantaged segment of the labor market. Incarceration has forced them to spend extended periods out of the labor market and barriers to the hiring of ex-offenders may further restrict the jobs open to them. Many leave prison with acutely limited resources and pressing need. For the releasee, an inability to find work may be even more influential than it is for "high risk" youth in leading back to crime.

An examination of the linkages between employment and crime displayed by both the Rikers sample and the CEP group, however, suggests that the often emphasized causal image of unemployment-leads-to-crime is only one of a variety of possible linkages between working and doing crime. Different patterns of association are probably dominant at different stages of development. For both young and old, some alternation between crime and employment seems to prevail.* For the youth, such alternation represents an exploration of possible income-producing options. For the older group, such alternation may reflect the perpetuation of adolescent patterns in a lengthy and delayed process of "maturing out" of crime. Although the number of those who mixed employment and crime in the same period was far smaller, the existence of such a group in the Rikers sample suggests that automatic opposition between employment and crime is a false one and that the trade-off between the two posited by economic theorists is, as mentioned earlier, based on a false premise.

* Of course, the older Rikers group is a sample very much "self-selected" to include those, a minority among the age cohort as a whole, who have continued to be involved in crime.

APPENDIX A: Study Methodology

The Rikers study population consisted of 392 adult male misdemeanants scheduled for release from the New York City Correctional Institution for Men (C-76) from April 17 through April 28, 1978. From this population, a sample of 96 inmates was selected at random. Inmates admitted to C-76 prior to March 31, 1978 were sampled from an official list of inmates compiled by the Department of Correction. Inmates admitted after March 31, 1978 were sampled from more recently updated lists based on a daily admissions card.

Table A on the following page describes attrition between the point of original sampling and completion of interviews with the inmates. Of the 96 sampled initially, 15 inmates were in fact not members of the study population, three because they had been rescheduled for release earlier than the dates defining the population and 12 because of release dates rescheduled for a later period.

The corrected sample size was thus 81 inmates; of this total, eight were never physically in the presence of project interviewers (two because of court dates; six because they could not be found). Subtracting these cases, we find that 73 inmates were actually in some contact with the researchers. This number provides the base for assessing the level of cooperation that the project staff received from the inmates.

Cooperation was high, particularly when consideration is given to the generally constrained circumstances of the contact (presence of correction officers nearby, the jail atmosphere generally).

TABLE 2Attrition Between Originally Sampled
and Interviewed Cases

<u>Total Sampled</u>		<u>96</u>		
Rescheduled for early release.....	3			
Rescheduled for later release.....	12			
<u>Total in Corrected Sample</u>		<u>81</u>		
In-court/not interviewed.....	2	2%		
Could not be located.....	6	7		
<u>Total in Sample Contacted</u>		<u>73</u>		
Refused interview.....	8	10	11%	
Incoherent/bizarre responses.....	2	2	3	
Otherwise dropped.....	2	2	3	
Successfully in- terviewed.....	61	<u>75</u>	<u>83</u>	
		98%	100%	
		(81)	(73)	

The interviews at Rikers were scheduled on a date that was between one and five days before the date of the inmate's release. An appointment for a (post-release) follow-up interview was made at the conclusion of the interview at Rikers. The first post-release interview was scheduled to take place between two and four weeks after release. At the conclusion of the first follow-up, a date was set for still another follow-up roughly 90 days into the release period.

Over the course of the three interviews, the sample gradually diminished. Of the original 61 respondents, only 40 came back for the first follow-up interview. Of that 40, only 24 returned for the final follow-up interview, three months after release. It was not surprising that a previously institutionalized population showed diminishing interest in interviews that offered no concrete assistance in dealing with their immediate problems.

Although the sample interviewed a third time was reduced to 24 of the 61 originally interviewed, an analysis of those 24 respondents yielded few characteristics that distinguished them from those who did not have all three interviews. About one-third of the 16 to 19 year olds returned for both follow-ups, and so did just over a third of those over 31. Black respondents had a follow-up rate that was a bit higher than Hispanics (42% versus 30%). Educational achievement did not differentiate between those who came back and those who didn't.

Duration of the last job before arrest had an inconsistent association with appearance for all three interviews: 45 percent of those whose last job lasted less than three months and 44 percent of those with jobs of over 12 months returned for both follow-ups, in contrast with 28 percent of those in jobs of intermediate duration.

The recency of the last job had no appreciable effect, and neither did the presence of alcohol or drug problems.

Some of those who failed to return did so due to employment success. Most of those who reported full-time legitimate employment on the first follow-up, for example, did not return for the second and thus it may have been the case that those who got jobs right after release did not appear for the first follow-up. On the other hand, it is also possible that some of those who did not return could not because of their continued involvement with the criminal justice system. A few of our contact calls yielded information that the respondent was back in jail. (One respondent who did not return for his final follow-up had been arrested the day before for homicide). Unfortunately, a search in September, 1978 of Rap sheets afforded only partially up-dated information. We have, as yet, no accurate measure of recidivism based on official arrest or conviction data. It seems reasonable to assume, however, that among those who did not return were both the extreme successes and the extreme failures in the sample.

At the initial interview, respondents signed an Agreement to Participate and were informed that they would be paid \$10.00 for each of two subsequent follow-up interviews. For each follow-up interview, respondents were reminded of their appointments by letter and, when possible, by telephone several days prior to their appointment. At all three interviews, respondents were assured of the confidentiality of all interview data.

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APPENDIX B:TABLE 1

Backgrounds and Attainments of Rikers Releasees

<u>A. Race</u>		<u>E. Child Support</u>	
Black	56%	None	35%
Hispanic	36	Partial	39
White	7	Entire	26
	<hr/>		<hr/>
	99%		100%
	(56)		(31)
 <u>B. Birthplace</u>		 <u>F. Diploma</u>	
N.Y.C.	62%	None	69%
U.S.A.	15	G.E.D.	18
P.R.	21	H.S.	13
Outside USA	2		
	<hr/>		<hr/>
	100%		100%
	(61)		(61)
 <u>C. Age</u>		 <u>G. Highest Grade</u>	
16-20	33%		
21-25	23	4-9	30%
26-30	23	10	28
31+	21	11	28
	<hr/>	12+	15
	<hr/>		<hr/>
	100%		101%
	(61)		(61)
 <u>D. Marital Status</u>			
Never Married	49%		
Sep./Div.	13		
Common-law	28		
Married	10		
	<hr/>		
	100%		
	(61)		

B - 2

TABLE 2

Criminal Justice System Contacts
of Rikers Releasees

<p>A. <u>Number of Arrests</u> <u>In Past 3 Years</u></p> <table border="0"> <tbody> <tr><td>1 - 2</td><td>23%</td></tr> <tr><td>3 - 4</td><td>27</td></tr> <tr><td>5 - 6</td><td>25</td></tr> <tr><td>7+</td><td>25</td></tr> <tr><td></td><td><hr/></td></tr> <tr><td></td><td>100%</td></tr> <tr><td></td><td>(56)</td></tr> </tbody> </table>	1 - 2	23%	3 - 4	27	5 - 6	25	7+	25		<hr/>		100%		(56)	<p>D. <u>Months Incarcerated</u> <u>In Past 5 Years *</u></p> <table border="0"> <tbody> <tr><td>None</td><td>31%</td></tr> <tr><td>3 or less</td><td>21</td></tr> <tr><td>4 - 12</td><td>18</td></tr> <tr><td>13 - 24</td><td>5</td></tr> <tr><td>25+</td><td>25</td></tr> <tr><td></td><td><hr/></td></tr> <tr><td></td><td>100%</td></tr> <tr><td></td><td>(61)</td></tr> </tbody> </table>	None	31%	3 or less	21	4 - 12	18	13 - 24	5	25+	25		<hr/>		100%		(61)
1 - 2	23%																														
3 - 4	27																														
5 - 6	25																														
7+	25																														
	<hr/>																														
	100%																														
	(56)																														
None	31%																														
3 or less	21																														
4 - 12	18																														
13 - 24	5																														
25+	25																														
	<hr/>																														
	100%																														
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* Prior to current arrest.

B - 3

TABLE 3

Labor Market Involvements
of Rikers Releasees

A. <u>Duration of Longest Held Job</u>		D. <u>Recency of Last Job</u>	
Three months or less	19%	Three months or less	30%
4 - 6	15	4 - 12	28
7 - 12	13	13 - 36	15
13 - 24	9	37+	28
25+	43		
			<hr/>
	99%		101%
	(53)		(54)
B. <u>Duration of Most Recent Job</u>		E. <u>Union Membership*</u>	
Three months or less	37%	Yes	35
4 - 6	26	No	65
7 - 12	7		<hr/>
13+	30		100%
			(61)
	100%		
	(54)		
C. <u>Gap Between Last Two Jobs</u>			
Three months or less	21%		
4 - 12	34		
13 - 24	16		
25+	29		
	100%		
	(38)		
0 or 1 Job	23		
	(61)		

* Respondents were asked if they had ever joined a union.

EMPLOYMENT AND CRIME: A REVIEW OF THEORIES AND RESEARCH

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Prepared under Grant Numbers 77-NI-99-0059
and 79-NI-AX-0082 from the National Institute
of Justice, U.S. Department of Justice.

Points of view or opinions stated in this
document are those of the author and do not
necessarily represent the official position
or policies of the U.S. Department of
Justice.

ABSTRACT

This is a review and analysis of the literature on the relationships between employment and crime from several different disciplines: economics, sociology, anthropology and the recent body of manpower program evaluations for criminal justice populations. The review of economic literature focuses on two competing explanations of employment and crime relationships: the economic model of crime developed by neoclassical economists and the more structural approach of segmented labor market theorists. The review of sociological literature encompasses various third factors (family, education and age) that have been seen as qualifying the relationship between employment and crime. Structure of opportunity theory and subcultural literature related to employment and crime issues are also considered. Finally, surveys of early manpower program evaluations in a criminal justice context and recent major impact evaluations are reviewed.

ACKNOWLEDGEMENTS

For two decades the Vera Institute has been working, through pilot projects and research, to improve the operation of the criminal justice system and the services provided to those who become enmeshed in it. In this effort, we have been especially concerned with development of more effective means to introduce offenders to the world of work and legitimate income, and to keep them there. In recent years, it has become increasingly apparent that the assumptions upon which we (and others) have built employment programs for offenders and for groups at high risk of involvement in crime are too simplistic. We have come to feel that labor market strategies and employment programs can more effectively reach these groups, and can have substantial impact on their lives and their behavior, only if they are built upon sounder theoretical and empirical bases.

In 1977, the National Institute of Justice made funds available for Vera to take a reflective, in-depth look at the relationships between employment and crime in all their complexity. The long-term research agenda contemplated by the agreement between Vera and NIJ involves exploration of theory as well as generation and analysis of empirical data that describe these relationships both on the aggregate and on the individual level. Thus this document is but one of what is expected to be a series of related reports from the Employment and Crime Project.

One of the pleasures (and an important comfort) of an effort as ambitious and long-term as this one, is the support and assistance given by colleagues from outside Vera. We offer our thanks particularly to Drs. Richard Barnes and Bernard A. Gropper of the National Institute of Justice. Richard Barnes, former Director of NIJ's Center for the Study of Crime Correlates and Criminal Behavior, served as Program Officer for this project until recently when Bernard Gropper assumed that role. Both men have consistently expressed the Institute's interest and support, while offering the provocative and constructive reactions to our work that one hopes for from colleagues. We are grateful, too, for their gently encouraging us to produce this review for circulation and comment.

From the beginning of this project, Vera has benefitted from the collective and individual support of the project's distinguished Advisory Committee, consisting of Herbert Gans, Kenneth Schoen, Susan Sheehan, Lester Thurow, and Marvin Wolfgang. They are knowledgeable, insightful and concerned individuals to whom we are grateful for help in shaping our approach to the issues, the various elements of our research design, and the work on this literature review.

Although the authors' own intelligence, skill and endurance give this document its quality and its breadth, they benefitted from the clear minds and dedication of others who got caught up in the work. Sally Hillsman, Vera's Research Director, offered detailed and far-reaching

comments after meticulous review of the penultimate draft. Three outside readers--Marcia K. Freedman, Steven Mendelsohn, and Jeremy Travis--reviewed earlier drafts of Chapters Two, Three and Four respectively, and their suggestions sharpened the focus and improved the presentation of the material. Present and former staff of the Employment and Crime Project--Lotte Fields, David Howell, Patrick McIntyre, Della Lee Sue and Mercer Sullivan--informed the treatment given to various topics by sharing generously their expertise in several social science disciplines. Finally, the present document could not have been brought to completion without the too often thankless efforts of an able secretarial and administrative staff, including Leslie Kiss, Patricia Harper, Marilyn Moore, Linda Pollock and George English.

For the reasons suggested at the beginning of these acknowledgements, Vera's own staff are potential consumers of a review of the kind presented here. The document is already having an influence on program development here. We hope others will find it a provocation to thought and an inducement to action.

Michael E. Smith
Director

November, 1980

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CHAPTER 1

INTRODUCTION1.1 The Interest in Employment and Crime

Social scientists, government officials and program planners have, for the last two decades, focused considerable attention on relationships between the economy and the origin, persistence and control of crime. The research and policy literature has continued to consider the influence of various social structures on criminal behavior, including the family, the peer group, the neighborhood and variously defined sub-cultures. But there has been persistent fascination with the economy, especially the manner in which it structures employment opportunities for different age, racial and ethnic groups; opportunities for and experience with employment have come to be seen as powerful variables both for the explanation and for the control of crime in America.

Beginning in the early 1960's, the federal government through several executive departments and agencies (e.g., Health, Education and Welfare, Labor, Law Enforcement Assistance) encouraged and supported a number of programs designed to expand employment opportunities for people involved with the criminal justice system and for segments of the population considered to be at high risk of becoming so involved. By strengthening participants' ties to the world of legitimate work, these programs hoped to reduce recidivism and facilitate participants' adoption of a more conventional life style. In the mid-70's, the National Institute of

Justice¹ decided to look closely at relationships between employment and crime and to develop a context of knowledge within which to assess past accomplishments and future policies and programs in this area. In September 1977, the National Institute of Justice selected a proposal submitted by the Vera Institute of Justice to carry out this long-term research.

This research effort provides an unusual opportunity to consider carefully the empirical and theoretical reasons for the contention that experiences of employment and unemployment are related to criminal behavior, and to increase understanding of the various ways in which these relationships may be manifested. However, the research is important and timely for reasons that go beyond its intrinsic intellectual attractions.

As this document indicates, a variety of assumptions have been made within several social science disciplines about how legitimate employment and criminal behavior relate on the individual level. In some instances, individuals are seen as rational economic actors weighing the relative benefits and costs of various legal and illegal activities and choosing those that maximize net benefits at a particular point in time. In this view point, legitimate employment is relatively more or less economically beneficial to the actor

1. See "Employment and Crime: A Research Design," Vera Institute of Justice, New York, January, 1979. (Mimeo); also Michelle Sviridoff and James W. Thompson, "Linkages Between Employment and Crime: A Qualitative Study of Rikers Releasees," Vera Institute of Justice, New York, September 1979. (Mimeo).

than is illegal activity. The relationship is seen essentially as a direct trade-off between the two.

This view of crime as an essentially direct result of a conscious, rational process of economic decision-making may lead to policy and programs that aim to increase the volume and enhance the quality of employment for selected target populations. Alternatively, it may undergird policy and legislation that aims to raise the cost of criminal activity by increasing the deterrent impact of the criminal justice system (i.e., increasing the likelihood of detection, apprehension, conviction and punishment). At the present time, policy-makers seem to have embraced the notion that much crime is the product of individual rational decisions of this economic type and to be emphasizing deterrence as a means to influence those decisions. The relative lack of emphasis on policy and programs that might increase the benefits of deciding against crime may reflect a growing reluctance to expend public dollars on social welfare programs generally, or a loss of confidence in the potential effectiveness of publicly-supported employment initiatives specifically.

In any case, to define the policy options exclusively as deterrence versus subsidized employment is to limit unnecessarily and unrealistically the potentially useful set of assumptions one might make about the determinants of criminal behavior and the manner in which criminality is, or can be, affected by experience in the world of work. By exploring in depth a wide range of assumptions about these rela-

tionships, Vera hopes to expand understanding of how employment policies may and may not be useful to society's crime control efforts. Such enhanced understanding would include a more realistic set of expectations regarding the results of employment programs for criminal justice populations.

Toward that end, Vera's Employment and Crime Project seeks to learn a good deal more about criminal behavior, employment experiences, and the interaction between the two in the lives of individuals and groups in high crime, urban neighborhoods. We need to know more about the kinds of criminal behavior in which people engage, what they derive from it, and the extent and nature of the trade-offs they perceive between crime and employment. We also need to know more about the kinds of employment that are available in high crime neighborhoods, how various work roles are defined and valued, the benefits people derive from these types of employment, how they secure work, how legitimate employment is supported by family and friendship networks in the community, and the circumstances that sometimes foster employment histories in an environment where well-paid, secure employment is the exception rather than the rule.

By careful consideration of both theoretical work and empirical data on the individual and neighborhood levels, the Vera research project hopes to:

- o Clarify the theoretical assumptions that may or may not support a policy emphasis on employment initiatives as part of a crime control strategy;

- o Identify more clearly the types of people in high crime neighborhoods and in the criminal justice system for whom enhanced employment would be likely to avert crime;
- o Identify periods in the individual's life cycle during which this form of intervention would be more likely to succeed;
- o Identify more clearly the kinds of economic and social-psychological processes through which enhanced employment would have to work on the community and individual levels in order to be effective as a crime control mechanism;
- o Describe more fully the kinds of work that are valued and the processes by which such work is found and work histories are established in high crime neighborhoods;
- o Describe how information of this kind can be used to shape the design, planning, conduct and evaluation of employment programs in such communities.

These research goals represent Vera's desire to inform the debate on crime control policy, especially as it focuses on the extent to which, and the manner in which, such policy requires a vigorous employment component. This document, which reviews selected social science theories and empirical research findings in order to summarize what is known--"the state of the art"--concerning employment and crime relationships, is an interim product of Vera's research efforts.

1.2 The Approach Used in This Review

It should be stated at the outset that no single study definitively explores the relationships between employment and crime in all their complexity. Social experiments have not fully demonstrated the impact of employment programs on crime. Studies based on aggregate statistics present mixed results; those that do discover a relationship between unemployment rates and crime rates have difficulty explaining how this relationship is manifested on an individual level. Sociological and ethnographic research reveals little specifically about the relationship between criminal involvement and legitimate employment.

In part because definitive results were not available from any single inquiry or group of inquiries, this review has adopted a multi-disciplinary perspective in its survey of literature. Findings from economics, sociology/anthropology and manpower program evaluations are separately discussed in Chapters Two through Four below. Though ambitious in scope, the review has, of course, been forced to exclude much literature of potential interest. Literature reporting impacts on criminal behavior of environmental variables, health, nutrition, the architecture of urban areas or adap-

tation to stress are not included. Psychological inquiries, including studies of offender personalities and the role of child abuse in the emergence of violence in adolescence and adulthood, are likewise outside of the scope of the review. These exclusions have been dictated more by practical necessity than by a conviction that those materials are less intellectually persuasive or practically useful than those covered in this document.

It was also necessary to limit the level of detail at which the literature included in the document could be addressed. Each of the disciplinary literatures reviewed might, under other circumstances, justify separate monograph-length treatments. The economics chapter is centrally concerned with an exploration of two competing theories of labor market success (human capital theory and segmented labor market theory) and the way in which those theories relate to criminality. Although some attention is paid to aggregate studies of the relationships between employment and crime, this material has been dealt with extensively elsewhere and the interested reader is referred to those other sources. Chapter Three is similarly limited. It is not centrally concerned with social control theory, differential association or anomie, although these theoretical frameworks are indeed relevant to employment and crime issues. Instead, the chapter focuses on various social, cultural, institutional and demographic factors that might qualify relationships between employment and crime, and a review of the influential structure of opportunity theory. Finally,

Chapter Four is specifically confined to reviews of manpower programs that are focused on criminal justice populations; it does not discuss the large body of manpower programs for the hard-core unemployed as a whole.

In addition to excluding some literature and abbreviating the presentation of some topics, it was also necessary to limit the attention paid to technical and methodological issues. In economics, for example, much employment and crime research has been conducted on aggregated data--crime rates have been used as dependent variables in multiple regression models that use unemployment rates and other averaged data (the probability of arrest and conviction, the severity of punishment, racial composition of the population, etc.) as independent, explanatory variables and as statistical controls. In presenting these findings, an attempt has been made to reflect as much technical material as possible without obscuring the fundamental issues.

Similarly, each impact evaluation reviewed in Chapter Four involves complex methodological issues that stem from the inevitable compromises inherent in applying techniques of social experimentation in active program settings. Relatively few of these are detailed in the chapter; those that are have been selected because of their bearing on employment and crime relationships.

The various literatures considered here are relatively discrete, each characterized by the particular traditions, language and methodology of their individual disciplines. They are not usually considered together. It is beyond the

scope of this review to attempt a full synthesis of the various perspectives considered here (economic, sociological, anthropological and program-oriented). However, the review does attempt to indicate areas in which different disciplines overlap and to estimate the relevance to program models of the theoretical approaches explored.

1.3 Major Themes

Several major themes emerge from the separate literatures reviewed. Though the chapters could perhaps have been placed in a different sequence, the present organization emphasizes a movement away from the abstract and theoretical towards increasing specificity. The discussion proceeds from relatively parsimonious, abstract economic models of employment and crime relationships based on aggregated data (Chapter Two), through more detailed and more focused studies by ethnographers and survey researchers exploring social structure and subculture in relation to criminal behavior (Chapter Three) to evaluations of action-oriented manpower programs (Chapter Four). Although much evaluation literature proceeds without direct use of social science models, some evaluations discussed in Chapter Four are based on theoretical orientations reviewed in previous chapters.

Chapter Two begins by presenting the economic model of crime. The economic model explains criminal behavior by postulating a decision-making process based on marginal utility theory. The theory contends that offenders, in com-

mon with all other economic actors, strive to maximize the benefits and minimize the costs arising from participation in a variety of activities: leisure, income generation in the labor market, and participation in illegal activities. Participation in illegal activities in this context is generally conceived of as a type of "market activity."

The major theme in Chapter Two is, consequently, that crime is itself a form of work, and that the allocation of time to criminal activities can be modeled on the same formal basis as the allocation of time to legal work. In constructing a perspective on crime, economists have adopted a human capital theory of labor market success that sees it as the product of numerous economically-oriented decisions by individuals, acting and reacting to one another without reference to non-economic factors or influences. Individuals are seen as investing in themselves in order to maximize their lifetime returns from employment by increasing their skills through education and training. The economic model of crime suggests that crime becomes unlikely among persons who are well educated and well trained, since they are attractive to employers, well paid, and likely to incur high "opportunity costs" if crime involvements lead to the loss of their legitimate returns. The result of blending marginal utility and human capital theories is a model that suggests that crime is concentrated among the unskilled poor because it emerges as the best means of generating income. In this model, crime can be alleviated only by changing its relative attractiveness. If legitimate work cannot be made

more attractive than, under this model, crime can be made less attractive by increasing penal sanctions until it loses its appeal even for those who have little to lose. One of the main focuses of the economic model therefore has been on increased deterrence efforts--policing, prosecuting and imprisoning.

Even within economics, however, sharp criticisms of human capital theory have been made by economists who emphasize the significance of institutional and structural features of the economy and the artificiality of the assumption of "perfect competition" incorporated in the models of conventional economics. Known variously as "dual economy" or "segmented labor market" (SLM) theory, these branches of economics highlight such economic phenomena as the persisting inequality of incomes, the relative lack of returns to education for many minority and disadvantaged, and the tendency for powerful groups--unions, oligopolistic firms, governmental interventions--to set the overall "bargains" under which the wages of competing groups of workers are determined. The SLM perspective resembles sociological notions in that it explains labor market success through a focus on specific groups in the economy and on the historical and institutional influences that shape concrete economic arrangements.

Much of the material on cultural and social structural concepts presented in Chapter Three can be viewed as a qualification of economists' vision of the relationship between employment and crime. Although some theorists of the eco-

conomic model have criticized sociologists for their allegedly "ad hoc" concepts of anomie and differential association, the sociological and anthropological work considered in Chapter Three presents an implicit criticism of economists for working with too abstract and too narrow a view of human behavior, and for postulating decision-making by economic actors who are neither interviewed nor otherwise directly observed. Chapter Three considers various third factors (family, maturation and subculture) not included directly in the economic model of employment and crime relationships but which may affect both economic and criminal behavior. The chapter also reviews literature on the impacts of education on employment and on criminal behavior from a different perspective than that developed by human capital theorists; education, in this view, is something other than self-investments in future earning capacity.

The chapter also emphasizes the "aging out" phenomenon, pointing to widely-known patterns in arrest data that relate crime to age. On a per capita basis, arrests peak for most crimes in the mid-teens to early twenties and rapidly dwindle thereafter. The decline is so precipitous, that, for example, a group in their early thirties has ten times fewer arrests per capita per year than a group in its early twenties. Although the age-related decline in arrest rates occurs during years when labor force participation is increasing, it seems unlikely that the rapidity of the decline in arrest rates can be totally explained by the operation of purely economic forces.

Chapter Three also reviews structure of opportunity theory, a major influence on some 1960's anti-poverty programs. As developed by Cloward and Ohlin, structure of opportunity theory emphasizes the role of social structure and cultural factors within concrete community settings in determining the extent and kind of legitimate and illegitimate opportunities made available to youth. In its emphasis on blocked opportunity as precipitating criminal involvement, structure of opportunity theory is reminiscent of the discussion of segmented labor market theory in Chapter Two. Both views emphasize structural rather than individual characteristics, and thus stand in marked contrast to human capital theory and the economic model of crime.

In some respects, the material in Chapter Four departs sharply from the preceding chapters. In Chapter Four, the results of impact evaluations are examined. In all but one of the major impact evaluations considered, a random assignment of participants between experimental and control samples makes it possible to relate outcomes to program impact. The impact evaluators do not have to develop elaborate theoretical models in order to cope with confounding influences. Experimental control eliminates (within known limits) the ability of unmeasured variables to obscure assessment of impact.

Some major evaluations have been conceptualized in ways that link them directly to the positions reviewed in the earlier chapters. The evaluation of the Job Corps, for ex-

ample, presents program objectives in explicitly human capital terms. The role of that program in reducing crime among Corpsmembers is in part attributed to the increase in legal labor market opportunities that results from the training and work experience attained by participants. Reviews of manpower programs as a whole suggest that the human capital model is dominant in program settings.

The review also suggests that some correlates of program outcomes can be utilized for informed speculation concerning the role of selected factors in averting crime. For example, stability of employment and of program tenure increases steadily with age, a finding that mirrors other studies of youthful employment in unsubsidized labor markets. Furthermore, some studies suggest that control group and comparison group members who successfully locate and sustain employment manifest less crime (as indicated by arrest data) than those who do not get employed. Though correlational rather than causal, such associations among age, sustained employment and averted crime merit further research attention.

Finally, the review in Chapter Four suggests that more must be learned about the types of employment offered in program settings, and about the larger social, social-psychological and economic contexts within which programs operate. If employment is a correlate of a reduction in criminal behavior and of adoption of a more conventional life style, both in job programs and in the unsubsidized labor market, we need to know if it is in fact employment

that causes such change and we particularly need to know the processes through which those changes are effected. (The correlation could, of course, be entirely spurious, deriving from factors that codetermine both the employment outcomes and averted criminality.) Because answers to these questions could greatly enhance the information available for the guidance of future policy and the impact of future programs, Chapter Four suggests that increased research attention be paid to program processes: the methods and mechanisms through which programs affect participants, and the contexts within which programs and participants interact.

This review was begun with the assumption that diverse employment and crime relationships probably exist and that each relationship requires separate and close scrutiny. The research and theoretical literature reviewed have reinforced this point of view. Unemployment can lead to crime; but crime can also accompany a pattern of intermittent spells of low-level employment, unemployment and dropout from the labor force. In some circumstances, the labor force status and criminal involvement of an individual may be predominantly influenced by non-economic life events and factors: drop-out from school, declining parental influence, peer pressure, household formation, residential mobility, et cetera. Even in these circumstances, however, entry into the labor market and into employment, if it is available, may crystallize and make effective other stabilizing influences in the life situation of a maturing youth. The literature

reviewed discloses a multiplicity of competing explanatory factors at the individual, group and aggregate levels. In the following chapters we examine the contributions of aggregate-level econometric studies, social surveys, sustained field research by participant observers and experimentally-controlled program evaluations, seeking contributions to a sharper understanding of the relationships between employment and crime.

MARKETS AND SEGMENTS: COMPETING ECONOMIC
PERSPECTIVES ON EMPLOYMENT AND CRIME

2.1 Introduction

Economists have conceptualized the tie between employment and crime at two different levels. In the mid-1960's, what has come to be known as the "economic model" of crime was developed to address policy questions at the macro level. This model poses such queries as "What amounts of police and other criminal justice outputs would bring about an optimal level of crime?" In this context, the phrase "optimal level of crime" recognizes that, assuming it were possible to do so, the costs of eliminating all crime would be prohibitive. Efforts to reduce crime create costs above and beyond those that "wash out" in terms of gains to victims offset by losses to offenders. The policy-relevant calculation suggested by the economic model is thus a comparison of the added social cost of further crime reduction "at the margin." "Optimal crime" is defined as the point at which the social cost of added crime equals the social cost of added crime control.

Embedded in the economic model, however, is an individual-level model of criminal behavior that is of greater interest to this review, and which recently has received increasing attention by economists. At the individual level, the economic model hypothesizes that potential offenders behave like other rational economic actors, choosing between legal and illegal options after weighing costs and benefits

of each activity. Partly because of its origins as part of a macro crime-control theory, the individual-level model continues to emphasize deterrence as a principal policy option. But the economic model also recognizes the costs that result when imprisonment for a criminal offense leads to loss of legitimate employment income--in economic parlance, the "opportunity cost" of crime for the imprisoned individual. (Social loss also occurs from the lost output of the individual and the use of resources in the prison system. Because of these costs, the labor market prospects of high crime groups have considerable relevance for the crime problem, since an increase in returns from legal opportunities ought to lower crime by increasing the costs of imprisonment for an individual.)

The model of labor market success provided by conventional economics is like its model of crime. In what is known as "human capital" theory, success in the labor market is related to differences in the productivities of individual workers. Productivity is rewarded because employers compete with one another for productive workers. Productive workers command a higher price (wage rate) for their services. Workers become more productive by choosing to spend (or "invest") time acquiring a stock of education, training, skills and work experience--their human capital. The human capital model of the labor market focuses on individual investment decisions and individual rewards. It is a profoundly individualistic view.

Arrayed against the conventional economic theory of the labor market are a variety of segmented labor market (SLM) theories. These viewpoints sharply dispute the vision of the labor market held by the conventional economists. SLM theories rarely address crime issues directly, and do not generally endorse a deterrence policy. Their alternative view of the labor market depicts crime as part of an overall income-generating strategy, no single part of which is particularly successful in raising the structurally disadvantaged out of a condition of chronic poverty.

For SLM theorists, the source of chronic poverty lies in the heavy constraints exerted on individuals by structural economic circumstances. The poor stay poor not because they fail to invest in their human capital or because they are insufficiently productive or attractive to employers; they stay poor because their economic opportunities are limited in ways that do not respond to their own initiatives. The poor are limited to low-wage, short-term, dead-end jobs that do not reward effort or provide training and therefore do not encourage it. The disagreement between conventional economics and the SLM theories is not so much over whether individual labor market participants, especially the poor, are acting "rationally" in committing crime, but over whether it is necessary to account for an array of structural, institutional and organizational features of the economy in order to arrive at a satisfactory explanation of economic behavior.

As Beck and Horan put it: "The structural context [in conventional economics] is such that, when it is assumed to be working according to the theoretical specifications, it need not be included in analyses."¹ Doeringer and Piore state that the segmented labor market view "...argues that the character of dual labor markets is best explained by institutional and sociological, not economic variables (in the neoclassical sense)--that the problem of unemployment is rooted less in individual behavior than in the character of institutions and the social patterns that derive from them."² SLM theories, as well as a variety of cultural and sociological perspectives (see Chapter Three) emphatically do not agree that structural contexts "need not be included." These theories do see persons as acting rationally, but within structurally constrained settings in which their actions respond to and incorporate structural features, both as means that further action and as goals that shape its direction. To the degree that conventional economists' use of the concept of rational cost-benefit calculation ignores non-economically definable goals and means, or reinterprets them in an unsatisfactory manner, then its approach must be

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1. E. M. Beck and Patrick M. Horan, "Stratification in a Dual Economy: A Sectoral Model of Earnings Determination," American Sociological Review 43 (December 1978): 704-720.
 2. Peter B. Doeringer and Michael J. Piore, "Unemployment and the 'Dual Labor Market'," Public Interest 38 (Winter 1975): 72.

SLM theories themselves appear to occupy a middle ground between conventional economics and other social science approaches which emphasize institutional, structural and cultural factors. Though SLM theories recognize the theoretical importance of structural phenomena, this recognition most often concerns the significance of these factors as constraints on income-generating behavior. Like conventional economics, SLM theories still by and large hold up the goal of income or wealth enhancement as the principal motivational basis for observed behavior.

This chapter is divided into three additional sections. Section 2.2 takes up the economic model of crime, emphasizing its labor market rather than its deterrence side and considering criticisms and revisions of the model. The section also describes the human capital model of labor market success, since this is an important adjunct to the economic model of crime. Section 2.3 reviews selected empirical research on employment and crime and discusses selected methodological issues. Section 2.4 outlines the SLM approach and offers suggestions for further research.

2.2 Human Capital and the Economic Model of Crime

When economists began to develop models of criminal behavior (the "criminal choice") it was possible for them to utilize pre-existing analytical models developed within labor economics. Many crimes require the allocation of time and effort and often result in monetary or equivalent gains, making the crime-choice decision seem analogous to the labor-supply decision. As Block and Heineke observe:

The commission of most offenses results in an expenditure of effort, the possibility of an increase in the individual's wealth position, and the possibility of a penalty. Aside from the penalty, the similarity between such of these decisions and labor supply decisions under uncertainty is obvious. Moreover, if the penalty is a monetary payment, the analogy is precise.³

This section of the chapter will first briefly review the concepts underlying the labor-leisure choice. It is important to take this brief excursion into conventional labor market theory since the economic model of crime has been developed in a parallel way. The labor-leisure choice and the legal-illegal choice are modeled by rational choice theory in formally identical fashion, although it will be seen that there are many variants and that the theory can suffer from ambiguous interpretation.

2.2.1 Conventional Economists' Model of the Labor Market

In addressing the question of how individuals decide to allocate time between income-generating ("market") and non-income-generating ("consumption") activities--the problem of labor-leisure choice--economists invoke assumptions embodied in utility theory. The theory holds that a person, when confronting a range of choices having to do with alternative behavior, will select that mix of activities that maximizes his utility. Utility itself is conceived of by economists as having sources both in pecuniary income as well as in

3. [Michael] K. Block and J. M. Heineke, "A Labor Theoretic Analysis of the Criminal Choice," American Economic Review 65 (June 1975):314.

non-pecuniary "goods" ("psychic income," time, etc.).⁴ In addressing the question of labor-leisure choice, attention focuses on the economic value of an individual's time. This value is determined in the labor market by his or her marginal productivity, i.e., the increment in total output resulting from the individual's contribution to the production process.

The worker will supply labor in response to a schedule of wages, since wages compensate for lost leisure. Employers, in turn, demand labor as an input in the production process. In this sense, the demand for labor and capital goods is a derived demand, which is determined by the overall demand for goods in the economy. Firms strive to attain an optimal mix of capital and labor, bidding for each--in a purely competitive market--in much the same way that an individual spends a weekly paycheck. Just as the individual purchases those items which provide the most satisfaction per dollar spent, the firm pays labor (and capital) in proportion to the benefits which the firm receives from the labor. Thus, individuals who are thought to be able to produce more are able to command higher wage rates in the labor market.

4. The theory is further specified by making the assumption that, in equilibrium, the marginal utility of each of an individual's options is the same as that for all others. Were this not true, the individual would continue to choose the activities with the higher marginal utilities until--given the axiom of diminishing marginal utility--these utilities came to equal those of his other options. See, for example, P.R.G. Layard and A. A. Walters, Micro-economic Theory (New York: McGraw-Hill, 1978): 52-81.

This bidding process--workers trying to increase their income and employers attempting to decrease the costs of their inputs to production--is assumed to arrive at a balanced outcome that provides a relatively stable market wage for each type of labor. It is important to note that the wage rate for each individual's labor is determined in part by circumstances beyond the individual's control: the price of capital, the prices and quantities of other types of labor, changes in technology, etc.⁵

Given stable market wages, each individual must still determine the optimal amount of labor to supply at that wage. In other words, the individual must decide how much to work within physical limits and the boundaries of a 24-hour day. Time spent not working may be used in a variety of other ways. Labor economics, however, considers only allocations of time between income-generating and non-income generating activities: work and leisure. (An additional type of time allocation, self-investment activities, will be discussed below.) If income and leisure are both desirable, then a decision must be made concerning the utility-maximizing allocation of the individual's available time.

Since income and leisure are both positively valued, part of the time-allocation decision will be determined by the level of income available to an individual for each unit of time worked. For earned income, this is his wage rate (though it is understood that the total hours worked will be

5. James M. Henderson and Richard E. Quandt, Microeconomic Theory: A Mathematical Approach (New York: McGraw-Hill, 1971): Chapter 3.

determined by factors not yet included in the model). In deciding the consequences of changes in the wage rate on the amount of labor offered (or "supplied") by an individual, two influences are conceptualized: "substitution effects" and "wealth effects."

The substitution effect refers to the tendency to consume more of a good when it becomes cheaper or less if it becomes more expensive, other things equal. In the labor-leisure decision, the amount of income earned in an hour (the wage rate) can be interpreted as the "cost" of an hour of leisure. That is, for each added hour of leisure, one foregoes one hour's worth of income. A rise in the wage rate increases the cost of a unit of leisure. Therefore, the substitution effect predicts that a rise in the wage rate will lead to a decrease in the amount of leisure consumed.

The income, or wealth, effect on the other hand, refers to changes in consumption that are brought about by changes in the income (or wealth) of the consumer, rather than by changes in prices. Although substitution effects always predict increasing consumption of a cheaper good, income effects may be ambiguous. For example, a person who works 40 hours per week at \$5 per hour earns \$200 per week. If the wage rate is increased to \$10 per hour, the individual may work only 20 hours and still obtain \$200 per week in income. Alternatively, an individual conceivably may work 50 hours per week and increase income to \$500 per week. Faced with improved income prospects, an individual might become a

"workaholic" whose only satisfaction stems from still higher income; or instead, the individual might enjoy more leisure time. Wealth effects emanating from a change in the wage rate may operate in either direction--increasing or reducing the amount of labor supplied--and this fact leads to indeterminate predictions concerning the relationship between changes in labor market rewards and decisions to supply labor to the market.⁶ (It will shortly be seen that this problem applies equally to the supply of illegitimate activities. The offender whose income rises as a result of his criminal activity may respond by reducing the amount of that activity. This possible wealth effect plays havoc with attempts by economists to predict crime trends based on aggregate data concerning the costs and benefits of illegitimate activities.)

Early formulations of the labor-leisure choice considered the allocation of time between only labor market activities and non-market activities (consumption). Becker, in furthering the human capital model, emphasized a new type of activity--an individual's self-investments in acquiring or enhancing human capital stock. In calling attention to self-investments, Becker sought to extend the time horizon within which "expected utility" calculations that are thought to determine time allocation are made. Self-investment decisions are seen in Becker's formulation of human

6. Ibid.

capital theory as oriented towards expected changes in a person's income over a lifetime.⁷

The notion of self-investments in human capital purports to explain how some workers come to be productive, and thus well-rewarded in the labor market, while other workers are not. Differentials in worker productivities (indicated by wage differentials) are related to antecedent differentials in the extent of their self-investment activities. Because individuals have only a fixed amount of time at their disposal, time is "costly" and would not be willingly invested in schooling, training and other self-investment activities unless these outlays were rewarded by employers in the form of higher wages over a working lifetime.

A simple human capital model is a schooling model which hypothesizes a direct, positive relationship between the extent of schooling and the level of earnings. Unfortunately, empirical research relating schooling and earnings has yielded conflicting results. Jacob Mincer, in Schooling, Experience and Earnings, attempts to expand and test the validity of the human capital model by estimating the effects of human capital investments on earnings differentials. Mincer utilizes the notion of an "earnings profile," describing the variation (usually the upward trend) in an individual's earnings over his or her working life. Mincer's notion is that the upward trend in earnings reflects rises in productivity that result from post-school invest-

7. Gary Becker, Human Capital (New York: Columbia University Press, 1975).

ments which enhance human capital: on-the-job training (OJT), learning-by-doing, and formal training.

Once this idea is at hand, it is a small step to consider how some individuals might have more steeply rising profiles because they continue to make self investments that increase their productivity. Unfortunately, Mincer's empirical data do not include direct measurements of variables like OJT so that other labor market factors--union seniority rules, employers' institutionalized preferences for mature workers, etc.--might in fact account for the association between age and earnings that Mincer attributes to human capital variables.⁸

Another difficulty with the human capital literature is that it was developed using empirical data on the labor market experiences of prime-age, white, urban males. Human capital research has provoked criticism in its attempt to explain sex and race-differentials in earnings. These debates are of interest in the employment and crime context since arrest rates are also patterned by age, sex and race/ethnicity. Recent work has suggested important refinements that are relevant to the issue of patterned wage differentials and thus indirectly, to employment and crime relationships.

For example, Lazear argues that the apparent convergence of black-white wages during the 1960's and 1970's in fact disguises a remaining underlying disparity in the ulti-

8. Jacob Mincer, *Schooling, Experience and Earnings* (New York: Columbia University Press, 1974).

mate wealth--or lifetime earnings--being made available to the two racial groups.⁹ Lazear argues that a worker's real earnings are composed of two components: a current pecuniary wage and on-the-job training (OJT). The OJT component is costly to the employer but attractive to the worker since it will presumably enhance future earnings at the cost of a reduction in his current output. Lazear suggests that although current pecuniary wages in entry-level jobs have been made equal between youthful white and black groups, the less visible OJT component remains reduced for blacks. Employers may have increased black entry-level pecuniary wages in response to governmental anti-discrimination efforts and changes in minimum wage coverage and levels. This impact is likely because entry-level wages are more accessible to outside review than OJT components with their necessarily delayed impact. Employers who have increased entry-level wages of minority workers may recoup some of their costs by reducing OJT. Lazear, analyzing longitudinal data that permit estimating wage growth, corrects for changes in the OJT component and concludes that black-white differentials in real wages (the sum of the two components) have persisted.

Lazear's paper represents a significant advance in human capital-oriented research in its explicit acknowledgment of "political economic" as well as economic considerations. The paper also illustrates the current indeterminacy of research even into seemingly simple matters such as

9. Edward Lazear, "The Narrowing of Black-White Wage Differentials Is Illusory," American Economic Review 69 (September 1979):553.

whether entry-level wage differentials have persisted between racial or other groups. There are other weaknesses and omissions in the human capital account. For example, the theory relating schooling to productivity does not account for the fact that most educational curricula are unrelated to vocational or occupational specifics, and the notion of post-schooling investments does not consider the possibilities of "costless" on-the-job learning.¹⁰

In summary, labor economics and human capital theory propose a model for "labor supply" decisions. Individuals allocate time between labor and leisure activities depending on the associated level of returns. For productive, high-wage workers, leisure is more expensive than it is for unproductive, low-wage workers. To the extent that earnings enter into the labor-leisure decision, and to the extent that crime is viewed as an income-generating or time-consuming activity, then economic analysis and the human capital model are relevant to crime.

In the individualistic vision of the labor market that emerges from human capital theory, the distribution of income is related to the self-investments of workers who compete with one another for higher wages. The labor market envisioned by human capital theory rewards individuals for

10. The literature on this and other aspects of the human capital model is extensive. For contrasting evaluations and further citations, see Finis Welch, "Human Capital Theory: Education, Discrimination, and Life Cycles," *American Economic Review* 65 (May 1975): 63; and Mark Blaug, "The Empirical Status of Human Capital Theory: A Slightly Jaundiced Survey," *The Journal of Economic Literature* 14 (September 1976): 836-840.

those things that they do as individuals. Rewards are not apportioned on the basis of group memberships, whether defined in social class, ascriptive, territorial, industry/occupational or other terms. Differences among groups in these terms must be viewed as "market imperfections" to be ironed out though the effects of market competition.

2.2.2 The Economic Model of Crime

The economic model of crime emphasizes the assumption that offenders, in common with all other economic actors, behave in ways that respond to incentives. Economic theory postulates that individuals strive to maximize their "total utility." When the particular model is one of time allocation, then total utility is maximized when time is divided between legal and illegal "market activities," and between market activities and leisure, in those proportions that result in equal marginal returns. That is, when the utility derived from the last increment of activity of one type equals that from the last increment of all other types, the individual has so balanced his activities that his or her total utility from all efforts is at the attainable maximum (given external constraints on behavior--market wage rates, deterrence efforts of criminal justice agencies, etc.).

In a landmark 1968 paper entitled "Crime and Punishment: An Economic Approach," Gary Becker framed the issue as follows:

A person commits an offense if the expected utility to him exceeds the utility he could get by using his time and other resources at other activities. Some persons become "criminals," there-

fore, not because their basic motivation differs from that of other persons, but because their benefits and costs differ.¹¹

It is noteworthy in this passage that Becker, though referring to "persons" who become "criminals," uses the term motivation in the singular. It is an appealing yet frustrating aspect of Becker's work that he insists on a generic motivational framework of economic rationality, and distinguishes the economic model from that of other social science disciplines in terms of its rejection of the notion of distinct motivations for distinct types of criminal behavior. Becker comments:

I cannot pause to discuss the many general implications of this approach, except to remark that criminal behavior becomes part of a much more general theory and does not require ad hoc concepts of differential association, anomie, and the like.¹²

Though developed separately from the human capital theory of the labor market, the economic model of individual criminal behavior, like human capital theory, views individuals as allocating their time among alternative activities --in this case, between criminal and non-criminal activities--in such a fashion as to maximize expected utility.

Decisions to engage in crime are determined by the expected monetary returns from illegal activity; the earnings lost by not using time allocated to crime in legal activity; the individual's over-all allocation pattern between income-generating and "non-market" activity; and the probability of

11. Gary S. Becker, "Crime and Punishment: An Economic Approach," Journal of Political Economy 76 (March/April 1968): 176.

12. Ibid.

apprehension and severity of punishment. In considering the latter possibilities, if punishment is by imprisonment, then the cost of punishment is again linked to legal earnings lost during incarceration, and to income opportunities that are reduced over a person's lifetime as a result of the stigma of a criminal record and consequent barriers to employment.

Becker's initial formulation of the economic model of crime took the legal opportunities which individuals confront as given. His inattention to the prospect of improving legal alternatives as an anti-crime policy option is surprising, given his important contributions to the development of human capital theory. For whatever reason, Becker's emphasis on deterrence options stemming from the economic model may have contributed to a shift in policy focus toward increasing expenditures for crime prevention and criminal sanctions.

In an essay written a decade after Becker's article, Isaac Ehrlich (a student of Becker's) reviews the theoretical assumptions underlying the economic model of crime in a manner that may clarify its key points. According to Ehrlich, the following assumptions must be true if use of the economic model is to be justified:¹³

- o Maximizing Behavior. Offenders are assumed to behave as if they are maximizing their personal

13. Students of economics will recognize these assumptions as those of standard micro-economic equilibrium approaches, cast by Ehrlich in terms of crime.

welfare, subject to available legitimate and illegitimate opportunities.

- o Stable Preferences. The distribution of individual preferences for crime (of all types) is stable.
- o Unbiased Expectations. Individuals' expectations concerning criminal penalties and other costs and benefits resulting from criminal activity will converge to their real values; biased expectations would turn out to be quite costly to the actor and would lead quickly to corrections.
- o Market Equilibrium. The economic approach is based on the assumption that an implicit "market" for criminal activity exists, operating through a relatively stable price system.
- o The Concept of Crime. In economic terms, the significance of an illegal activity is that it imposes costs on society in excess of the direct costs borne by the offender.¹⁴

Other economists considering the economic model as conceptualized by Becker and Ehrlich have raised additional theoretical issues. In an important, often cited paper, Block and Heineke criticize Becker and Ehrlich's formulation of the model and their conclusion that time is allocated between legal and illegal income-generating activities in such a way that increased relative returns from one type of income generation leads in a simple way to a shifting of activities away from the other type.¹⁵ Block and Heineke show that a time-allocation model along these lines cannot yield

14. Isaac Ehrlich, "The Economic Approach to Crime: A Preliminary Assessment," Chapter One in Sheldon L. Messinger and Egon Bitner (eds.), Criminology Review Yearbook, Vol. 1 (Beverly Hills: Sage Publications, 1979): 34-36.

15. Block and Heineke, "A Labor Theoretic Analysis," pp.314-316.

determinate empirical predictions without additional assumptions regarding wealth effects. (These were discussed above in terms of the labor supply decision and that discussion applies equally here.) With increased returns from crime, an individual may either reduce or increase the total amount of his income-generating activity as well as substitute one form of income generation for another. Block and Heineke argue that empirical data are required to ascertain the relative magnitudes of substitution as against wealth effects.

Block and Heineke's criticism addresses the conceptual core of the economic model (at least as developed in the "labor supply" context), arguing the need for a utility function that is "multi-attribute" in nature, i.e., one in which the utility of work time and time spent in criminal activities can be separately evaluated and the potential moral noxiousness of crime and punishment for offenders can be acknowledged. The effect of this reformulation of the underlying utility function is indeed so far reaching that Orsagh and Witte, in reviewing the point, observe:

...a deductive proof for the existence of a relation between crime and economic status is not possible. Its existence depends upon a particular configuration of the model's parametric values and is, therefore, environment specific.¹⁶

16. Thomas Orsagh and Ann Dryden Witte, "Economic Status and Crime: Implications for Offender Rehabilitation," The University of North Carolina, February 1980, pp.4-5. (Mimeo).

Other important criticisms of the economic model were made in a recent paper by Charles Manski.¹⁷ Manski argues first of all for data on individuals containing information on both the available criminal and legal alternatives together with other information describing the decision-makers themselves. In addition, Manski criticizes the notion, central to the work of Becker and Ehrlich, that it is desirable to formulate a single, over-all model of criminal behavior. Manski argues:

Because the legal system defines so many different forms of crime and because criminal behavior has so many dimensions, to attempt to capture all crime-related decisions within a single model seems hopeless. One might as easily try to capture all of human behavior. Inevitably, empirical modeling will require the development of models confining their domains to restricted classes of crime types and dimensions of criminal behavior.¹⁸

Becker's theoretical formulation, Ehrlich's clarification of underlying assumptions, and the criticisms of Block and Heineke, Manski, and others complete the outlining of the economic approach as it purports to model individual behavior. This discussion excludes consideration of the model's other side, in which macro, policy-oriented propositions concerning optimal crime control measures are developed.

17. Charles Manski, "Prospects for Inference on Deterrence through Empirical Analysis of Individual Criminal Behavior," in Alfred Blumstein, Jacqueline Cohen and Daniel Nagin (eds.) Deterrence and Incapacitation: Estimating the Effects of Criminal Sanctions on Crime Rates (Washington, D.C.: National Academy of Sciences, 1978): 400.

18. Ibid., p.404.

At the level of individual behavior, the emphasis of the economic model continues to resemble Becker's original paper. The model encompasses the behavior of all actors--not merely a subgroup of "criminals" or other deviants. These actors are thought to weigh the costs and benefits afforded by both legal and illegal activities and to behave in ways that maximize their utility. One important cost--deterrence through the application of formal criminal sanctions (arrest, conviction and punishment)--is emphasized by economists to the virtual exclusion of the role of other factors, such as incentives deriving from improved employment opportunity. Recent criticisms mention the need for individual-level empirical research and for development of models addressed to specific types of crimes and criminals.

In the following section, selected examples of empirical research utilizing the economic model are reviewed, with sustained discussion of Ehrlich's cross-sectional research on deterrence, income and employment. In addition to describing some important empirical results, the section addresses methodological issues that limit our confidence in the empirical findings and that limit our confidence in the empirical findings and that continue to cloud the ultimate significance of the economic model itself.

2.3 Selected Empirical Studies of Employment and Crime and Associated Methodological Issues

Empirical applications of the economic model have been extensively reviewed by a number of researchers. Gillespie reviewed the literature up to 1975 and contrasted findings from versions of the model using cross-sectional and longitudinal data at varying levels of aggregation.¹⁹ In examining the relationship between unemployment and crime, he inspected ten studies meeting "minimum methodological standards," and concluded as follows:

Statistical results of studies relating unemployment to crime show general, if not uniform, support for a positive correlation between these two variables.²⁰

Likewise, in assessing tests of the role of income in accounting for crime differentials, Gillespie concluded that "the findings support broadly the theoretical prediction that income plays a causal role in criminal activity; however, the specific findings are more uniform qualitatively than they are quantitatively."²¹ Despite Gillespie's conclusions, empirical work produced since his review suggests that the relationship between unemployment and income vari-

19. Robert W. Gillespie, "Economic Factors in Crime and Delinquency: A Critical Review of the Empirical Evidence," Report to the National Institute of Law Enforcement and Criminal Justice, Washington, D.C. 1975. (Mimeo.)

20. Ibid. p.4.

21. Ibid., p.5.

ables and crime is not at all clear.²² Because aggregation normally reduces the variance of income and crime variables within the aggregated units while increasing variance between units, aggregate studies frequently do report extremely high correlations. These reports appear to be easily subject to misinterpretation by a non-technical audience; it is not always understood that what has been explained in such models is variation in rates rather than in behavior of individuals. Instead of drawing conclusions appropriate to the problems of "cross-level inference" associated with aggregate research, the impression is sometimes created that criminal behavior is virtually determined by economic variables. Commenting on the odd juxtaposition of weak and inconsistent empirical results and continuing acceptance of the economic model by a broad policy audience, Orsagh and Witte suggest:

The growing interest in the...model is easily explained. Its esoteric language and its uncommonly rigorous logic are seductive. The statements which are deduced from the theory, relating to economic status and to sanctions, are intuitively plausible, conform to popular opinion, and are, therefore, powerfully persuasive. Moreover, the theory has the added, and very compelling, attraction that it focuses on variables which are, or at least appear to be, capable of manipulation through deliberate public policy.²³

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22. Research in the interval between 1975 and early 1980 is reviewed in Sharon K. Long and Ann D. Witte, "Current Economic Trends: Implications for Crime and Criminal Justice," The University of North Carolina, June 1980. (Mimeo.)
 23. Orsagh and Witte, "Economic Status and Crime," p.3.

2.3.1 Ehrlich's "Participation in Illegitimate Activities"

Our review will first discuss Ehrlich's 1973 paper, "Participation in Illegitimate Activities," which extends Becker's model and contains an early, influential empirical investigation of aggregate-level data on crime and employment.²⁴ We describe Ehrlich's empirical model and summarize his findings and then examine some conceptual and methodological issues that relate both to Ehrlich's work and to other aggregate-level crime research. Ehrlich's paper is discussed in detail because of its initial importance, and as an example of use of the economic model in an empirical analysis of crime that illustrates both strengths and limitations of the approach.

Ehrlich reports the results of a multiple regression analysis using as a dependent variable FBI index crime rates for U.S. states in conjunction with selected explanatory variables that the economic model suggests would account for variations in crime rates. Column 1 of Figure 1 on page 40 lists the key variables in Ehrlich's test of the economic model. They are: the subjective probability of punishment (arrest, conviction and imprisonment), the severity of punishment (time imprisoned), the illegal and legal income opportunities available to offenders and the probability of unemployment (which reduces legal income prospects).

In Ehrlich's paper, the criminal choice is portrayed on the individual level as a decision to allocate time between alternative legal and illegal income-generating strategies. The theory is able to account for situations in which persons allocate all of their time to either one or the other activity as well as situations in which a mix of legal and illegal involvements is decided upon.

24. Isaac Ehrlich, "Participation in Illegitimate Activities: A Theoretical and Empirical Investigation," Journal of Political Economy 81 (May/June 1973): 521.

FIGURE 1

Major Theoretical Variables and Empirical Indicators:
Ehrlich's Supply-of-Offenses Function (For Crime Category i)

(1) Conceptual Element	(2) Empirical Indicator	(3) Symbol of Empirical Indicator	(4) Predicted Impact	(5) Observed Impact
Probability of arrest and conviction	Number of offenders imprisoned (Q) per offenses (C _i) of crime category i	(C/Q) _i	Reduces crime	Confirmed for virtually all offenses
Severity of punishment	Average time served by offenders in state prisons for crime category i	T _i	Reduces crime	Confirmed for virtually all offenses
Illegal income	Median income of families	W	Crime increases with increased illegal income	Confirmed for property offenses
Legal income from employment	Percentage of families below one-half of median income	X	Crime decreases with increased legal income	Confirmed for property offenses
Probability of unemployment	Unemployment rate of civilian urban males aged 14-24	U ₁₄₋₂₄	Crime increases with increased unemployment	Inconclusive
	Labor force participation rate of males 14-24	L ₁₄₋₂₄	Conflicting Predictions	Inconclusive for crimes against property but consistently negative for crimes against the person
	Unemployment rate of civilian males aged 35-39	U ₃₅₋₃₉	Crime increases with increased employment	"Somewhat better results" than for U ₁₄₋₂₄ ; but not reported

FIGURE 1 (cont.)

Major Theoretical Variables and Empirical Indicators:
Ehrlich's Supply-of-Offenses Function (For Crime Category i)
 (Selected Environmental Variables Not Explicitly in Theory)

(1) Conceptual Element	(2) Empirical Indicator	(3) Symbol of Empirical Indicator	(4) Predicted Impact	(5) Observed Impact
Not in theory	Percentage of all males in the age group 14-24	A_{14-24}	No prediction	Indeterminate/partially correlated with crimes against the person in 1960 data
Not in theory	Percentage of nonwhites in the population	NW	No prediction	All specific crime rates positively related to NW
Not in theory	Percentage of population in standard metropolitan statistical areas	SMSA	No prediction	Not significant when punishment and median income also included in model
Offenses of crime category i*	Current and one-year lagged crime rate: the number of offenses known per capita	$(Q_i/N)_t$ $(Q_i/N)_{t-1}$	Dependent Variable	

* The data used are the seven FBI crime index offenses. Analysis was performed on the 36-43 U.S. dates for 1940, 46 states for 1950 and 47 states for 1960.

Ehrlich's paper proceeds roughly as follows: First, the crime choice is portrayed on an individual level as a time-allocation model in which persons allocate time to alternative income-generating strategies. Second, several assumptions are then made and justified in order to extend the theoretical model to the aggregate level to facilitate the use of aggregate data as indicators of individual-level phenomena. Finally, in the third section of the paper, the empirical data are reviewed and interpreted within the model.

In Figure 1 on the previous page Columns 1 through 3 describe the conceptual elements and notation employed in the formulation of Ehrlich's crime-choice model; columns 4 and 5 list the predicted and observed impacts in the empirical test of the theoretical model. Ehrlich's detailed discussion concerning the "mix" of involvements and the conditions under which an individual would abstain from all activity of one type or another are not incorporated in Figure 1. While interesting, their introduction into this discussion would require consideration of other explanatory constructs for which Ehrlich has no empirical data. For example, Ehrlich speculates at length concerning the "risk preference" assumed to characterize those individuals who commit a particular category of offense; e.g., robbers are "risk preferrers" and would be expected to continue to engage in robberies even when the balance of incentives would lead other individuals (those who are "risk neutral" or "risk averse") to abstain. Ehrlich's paper is full of speculations of this type, which can be accommodated to his the-

oretical approach, but are not tested against empirical data and may indeed be untestable.

Column 4 of Figure 1 lists the substantive predictions in Ehrlich's version of the economic model of crime. Though these predictions are developed in a sophisticated mathematical context (e.g., the "optimality conditions" associated with expected utility functions are derived in a mathematically rigorous fashion), when put into words the predictions are unsurprising and perhaps even pedestrian. The perceived chance of punishment and its severity lessen incentives to engage in crime. The extent of expected returns from crime increase participation. And finally, legal income opportunities--both the level of legal income and the chances of being employed--reduce crime.

Finally, Column 5 of Figure 1 contains Ehrlich's reported results from the application of the model to the available data for FBI crime rates for the states in 1940, 1950 and 1960. (Because of fluctuations in reporting activity among these years, Ehrlich analyzes data for each year separately.) Ehrlich reports his own conclusions as follows:

Despite the shortcomings of the data and the crude estimates of some of the desired variables...the results of the regression analysis lend credibility to the basic hypotheses of the model.²⁵

Ehrlich then goes on to list the "major consistent" findings as summarized in Column 5 of Figure 1. Ehrlich finds support for the deterrence variables conceptualized in his

25. Ibid., p.544.

model. He also finds somewhat restricted impacts associated with the illegal and legal income variables (this will be the subject of further discussion below) and finally, Ehrlich does not find the expected impacts from unemployment and labor force participation. Besides these conclusions, which were explicit predictions derived from the model, Ehrlich also comments on numerous additional "environmental variables" that were introduced in a more or less ad hoc fashion as statistical controls.

Because Ehrlich's work has been influential in the development of subsequent research using the economic model, it has been subject to detailed methodological review by other econometricians. Vandaele, for example, has published a reanalysis of Ehrlich's work that discusses both his empirical specification and errors in reporting data. Having corrected the errors, Vandaele reaches the following conclusion:

It appears, therefore, that with the available data and within the present model, the negative relationship between the crime rate and the probability of imprisonment and between the crime rate and the time served is not spurious.²⁶

In the following discussion, we comment on aspects of Ehrlich's work that are relevant to the concerns of this review and which apply to other aggregate-level research as well. Readers interested in detailed methodological

26. Walter Vandaele, "Participation in Illegitimate Activities: Ehrlich Revisited," in Blumstein, Cohen and Nagin (eds.), Deterrence and Incapacitation, p.281.

commentaries are referred to Vandaele and Manski.²⁷ Ehrlich has also been an important figure in a revived debate on capital punishment's effects on homicide rates. See, for instance, Klein et al., and McGahey.²⁸

The central problem for Ehrlich's and other aggregate-level crime research is bridging the gap between the available aggregate-level data and the focus of theoretical interest on individual behavior. In discussing the translation between his individual-level "behavioral function" and the "aggregate function" that he introduces in order to use state-wide data, Ehrlich comments:

If all individuals were identical, the behavioral function [described below], except for change in scale, could also be regarded as an aggregate supply function in a given period of time. In general, however, none of the variables entering [it] is a unique quantity, since people differ in their legitimate and illegitimate earnings opportunities and hence in their opportunity costs of imprisonment (if punishment assumes such form).²⁹

The problem for Ehrlich is that he has no data to describe these differences. Accordingly, he is forced to translate his model from the individual to the aggregate level in a rigid and unconvincing way:

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27. Ibid. and Manski, "Prospects for Inference."
28. Lawrence R. Klein, Brian Forst, and Victor Filatov, "The Deterrent Effect of Capital Punishment: An Assessment of the Estimates," in Blumstein, Cohen and Nagin (eds.), Deterrence and Incapacitation, p.336 and Richard McGahey, "Dr. Ehrlich's Magic Bullet: Economic Theory, Econometrics, and the Death Penalty," Crime and Delinquency (October 1980):485-502.
29. Ehrlich, "Participation," p.534.

...the behavior implications derived [above] apply here for independent changes in the level of the entire distributions of these variables, or for changes in the mean variables within specific communities, holding all other parameters of the distribution constant.³⁰

What this signifies is that in place of observed values of individuals' prospects for illegal and legal income, punishment, and so forth, which are critical to their decisions and which vary among individuals, Ehrlich must substitute means or other averages describing, for example, the distribution of income within entire states. The difficulty is not just quantitative, but also qualitative in character. It is not only the problem that the median income of a state is a poor measure of the income of a given potential offender residing in the state. Aggregate income measures also describe that offender's victims, and there are no empirical data to differentiate the income prospects of offenders from those of their victims, or of either from all others.

As was seen in Figure 1, Ehrlich uses the median family income in a state as his measure of illegal income prospects. He justifies this choice as follows:

We postulate that payoffs on such crime (e.g., property crimes, etc.) depend, primarily, on the level of transferrable assets in the community, that is, on opportunities provided by potential victims of crime and to a much lesser extent on the offender's education and legitimate training.³¹

Brief reflection on median income in a state as indicating the opportunities for illegal income illustrates the aggre-

30. Ibid.

31. Ibid.

gate data problem. On the one hand, as Ehrlich suggests, it may be that a state with a high median income is one in which residents possess more "transferrable assets"--wealth in the hands of potential victims--and this may indicate greater opportunities for theft. On the other hand, a higher median family income may also reflect a lessened need to steal because of reduced poverty. Thus, a single aggregate measure is used as an indicator of several phenomena, including selected characteristics of the state's subpopulations (e.g., offenders, the poor). In the absence of distinct, independent measures of these phenomena, the meaning attributed to the aggregate measure becomes arbitrary.

Orsagh and Witte comment on the point extensively:

Because direct empirical measures of these income variables do not exist, an acceptable test of these two hypotheses [i.e., that the propensity for crime should vary inversely with legitimate income prospects and directly with illegitimate income opportunities--ed.] is not possible. In the literature, one does find a large number of studies that purport to test these hypotheses. However, the evidence found in these studies defies definitive interpretation because of the uncertain correspondence between the empirical measure actually used and the measure that theory requires.³²

The authors go on to show that per capita income measures (and analogous measures such as Ehrlich's median income) have been utilized in six recent studies as proxies for legitimate income and, on the other hand, have been used in seven other studies (including the one reviewed here) as proxies for illegitimate income. The authors conclude:

32. Orsagh and Witte, "Economic Status and Crime," p.7.

Of course, control variables are used in the foregoing studies in an effort to force the measure to reflect either legitimate or illegitimate income, as the particular study requires; but unfortunately, the success of this endeavor cannot be scientifically demonstrated. One's interpretation of the measure becomes largely a matter of belief.³³

Similar problems are associated with proxies for legal income (indeed, as just pointed out, aggregate researchers use these indicators interchangeably). As seen in Figure 1, Ehrlich's aggregate-level proxy for legal income opportunities is income inequality, measured by the percent of all families in a state whose income falls below one-half the state's median income. The measure is of income inequality rather than absolute income. (In some states, families may be below half the state's median, even though their absolute income is higher than that of families falling above half the median in other states.)

Though Ehrlich's empirical measure is of relative income inequality, his theoretical discussion does not include a "relative deprivation" hypothesis such as is commonly used by sociologists and by a few economists.³⁴ The choice of this particular measurement was again dictated by methodological considerations, namely the need to avoid high correlations with other income measures introduced as independent variables into the model which would prevent Ehrlich from attributing variation in the model's dependent variables to particular independent variables.

33. Ibid.

34. See, for example, Sheldon Danziger and David H. Wheeler, "The Economics of Crime: Punishment or Income Redistribution," Review of Social Economy 33 (October 1975):113.

The ambiguous role of Ehrlich's key empirical indicators results from the use of aggregate data to explain individual behavior. Aggregation obscures subgroup and individual-level behavior and conditions. For example, though Ehrlich sees median income as reflecting the "level of transferrable assets in the community," the only "communities" about which he has information are states. But a state is surely too expansive a region within which individuals frame their perceptions of criminal opportunity. Indeed, it is likely that the majority of offenders commit crimes within highly circumscribed areas within the communities in which they reside, not even venturing across town, much less to other parts of the state.

Again, since the median family income of a state also describes potential victims, variations in the measure may also reflect victims' ability to purchase self-defense and perhaps their ability to live in relative isolation from the poor even within formal community boundaries. This interpretation would predict a negative relationship between median income level and crime; Ehrlich's interpretation predicts a positive relationship. It is easy to suggest considerations that would lend other interpretations to a given aggregate-level measure. The point is that Ehrlich's elaborate and rigorous individual-level model is applied to data which are not directly or unambiguously related to the issues he claims to test. The theoretical model, when applied, may thus generate inconsistent and ambiguous results.

2.3.2 Selected Findings from Other Empirical Work

In addition to Ehrlich's work, other empirical studies have involved ingenious attempts to tease meaningful results from the inherent limitations of aggregate data. A few examples of these approaches will be described. (The reader interested in a more detailed presentation of findings from research in the last five years is referred to the review by Long and Witte.³⁵)

In an often cited 1975 study, Phillips, Votey and Maxwell specifically address the issue of the relative merits of unemployment rates as compared to labor force participation rates as measures of economic opportunity and, therefore, as predictors of crime.³⁶ They suggest that youth unemployment rates have less weight in explaining crime because of the low labor force participation rates of youth. In turn, they suggest that "labor force participation may be a crucial element" in explaining crime because participation rates capture long-term trends as opposed to cyclical, short-run fluctuations that are more likely to be reflected by unemployment rates.

In relating labor-force characteristics to criminal behavior, they specify two alternative partitions. One partitioning divides the sample between those "in the labor force" and "out of the labor force." In this division, those not working but looking for work are included as par-

35. Long and Witte, "Current Economic Trends."

36. Llad Phillips, Harold L. Votey, Jr., and Darold Maxwell, "Crime, Youth and the Labor Market," Journal of Political Economy 80 (May/June 1972):491.

ticipants in the labor force. In the other partitioning, the split is between those "working" and "not working." When this is done, those looking for work but not working are placed on the "not working" side. The issue is important because it is likely that labor force drop-outs--those not working and also not looking--are more likely to be involved in crime. After analyzing these alternatives, the authors conclude that the "labor force/not in the labor force" classification is the most relevant one for crime analysis.

In their conclusion, Phillips et al. also make the strong claim that "changing labor market opportunities are sufficient to explain increasing crime rates for youth" for the United States during the years 1952-67. They base their conclusion on the idea that a decline in labor force participation rates indicates individuals dropping out of the labor force and presumably entering into criminal activity. However, it cannot be inferred from their study whether rises in youth crime rates tend to result from increases in activity levels of those already engaged in criminal behavior, or whether individuals who formerly did not commit crimes begin to do so. In addition, their hypothesis does not address the observation that, for women, labor force participation and crime rates have both been rising.³⁷

Leveson, dissenting from Phillips et al., questions the

37. For evidence on this point, see Ann P. Bartel, "Women and Crime: An Economic Analysis," Economic Inquiry 17 (January 1979): 29.

impact of labor force participation on crime.³⁸ Leveson also examines the effects of youth unemployment on crime rates. Although agreeing that youth unemployment has some significant influence on crime rates, Leveson claims that adult unemployment rates show no significant relationship to changes in crime rates.

In Leveson's work, the use of many diverse factors increases the difficulty of identifying distinct impacts of any one factor such as drug addiction or youth unemployment. These specifics do not appear easily separable from such general phenomena as urbanization, racial discrimination and poverty. (Leveson's factors also are highly intercorrelated, creating further difficulties). He nonetheless claims that "the magnitude of the influences can often be determined within reasonable bounds."³⁹

Specifically, Leveson estimates that youth unemployment accounted for 25 to 30 percent of the change in crime rates from 1952 to 1963, and 30 to 40 percent of the changes from 1963 to 1973. This estimate differs greatly both from Phillips and Votey's attribution of 98 percent of the rising trend in youth crime to youth labor force participation rates, and from Ehrlich's inability to find any significant relation between youth unemployment or labor force participation rates and crime. Comparison of these three studies

38. Irving Leveson, The Growth of Crime (Croton-on-Hudson: Hudson Institute, 1976).

39. *Ibid.*, p.VII-2.

again illustrates the difficulties in specifying empirical measures of theoretical variables and obtaining consistent, plausible results in the context of aggregate-level research.

Even a brief discussion of empirical research using aggregate data must mention Harvey Brenner's work. Among researchers examining the relationships between employment (and other economic factors) and crime, Brenner makes the strongest claims regarding the existence of significant, causal impacts of the functioning of the economy on crime. In a report to the Joint Economic Committee of Congress, Brenner holds that a 1.4 percent rise in unemployment during 1970 was "directly responsible" for 7,660 state prison admissions and 1,740 homicides, in addition to "other social damage."⁴⁰ Estimated losses to the economy from these two outcomes alone approach 644 million dollars.

Brenner's aggregate-level research is oriented toward the epidemiology of such diverse phenomena as cardiovascular disease, admissions to prisons and mental institutions and suicide rates. He has correlated these phenomena with a variety of economic indicators, and found that unemployment rates correlate most highly with the social problems. In his study for the Joint Economic Committee, Brenner tries "to translate the research findings on the pathological effects of unemployment and other forms of economic distress

40. M. Harvey Brenner, Estimating the Social Costs of National Economic Policy: Implications for Mental and Physical Health and Criminal Aggression (Washington, D.C.: Joint Economic Committee, Congress of the United States, Government Printing Office, 1975).

into a form that would be useful for national economic policy decisions."⁴¹ For an index of crime, he uses prison admission rates. Correlating these rates with economic indicators, Brenner finds again that unemployment rates show the most significant associations. Through a time series analysis, he concludes that a one percent increase in unemployment sustained over six years would be associated with approximately 3,340 admissions to state prisons.

A serious difficulty with Brenner's work is that it fails to specify a model which tests for the impact of unemployment while adequately controlling for a range of other, possibly confounding factors. These objections to Brenner's work are similar to issues raised in the discussion above of other aggregate research.

Witte's study of the employment and crime experiences of a sample of North Carolina prison releasees provides a rare instance of implementation of the economic model of crime utilizing individual data.⁴² Witte, building on the theoretical work of Block and Heineke as well as Becker and Ehrlich, finds some support for the deterrence elements of the economic model.

Witte's data are taken from a study of the post-release activities of 641 men imprisoned in North Carolina in 1969

41. Ibid.

42. Ann Dryden Witte, "Estimating the Economic Model of Crime with Individual Data," The Quarterly Journal of Economics (February 1980); see also Ann Dryden Witte, Work Release in North Carolina: An Evaluation of Its Post-Release Effects (Chapel Hill, N.C.: Institute for Research in Social Science, 1975).

or 1971. Criminal records are used as indicators of illegal activity (re-arrest during the post-release period) and personal interviews with releasees are used to obtain information on legal activities, including measures such as the number of months between release and a first job and hourly wage rates. The deterrence variables--certainty and severity of punishment--are measured by calculating for each individual separately his fraction of convictions to arrests (prior to the release period examined in the model) and his fraction of prior jail or prison sentences to convictions. Selected background and "taste variables," such as age at first arrest, age at release, race, drug or alcohol use, marital status, etc., are also included in the study.

Witte finds that variables measuring the "expected" certainty and severity of punishment (the individual's conviction rate and imprisonment rate) are negatively associated with criminal activity "in a number of instances" and that the model specification utilized also suggests that certainty has a greater deterrent effect than severity of punishment. Witte notes that "the support we provide [for the deterrence model--ed.] is relatively weak."⁴³ The statistical significance of a number of her independent variables is influenced by Witte's inclusion of the taste variables described above. Finally, as is true in many other studies, the results relating to labor market measures

43. Ibid., p.79.

are sometimes inconsistent with expectations (a measure of expected unemployment is negatively associated with arrests) and in many other cases they are statistically insignificant although of the expected algebraic sign.

An interesting feature of Witte's work, in accordance with Manski's suggestions, is the attempt to estimate separate impacts of deterrence and labor market measures for subgroups of prison releasees specializing in different types of crime. Impacts are estimated for those committing "consumption crimes" (e.g., assaults), serious and non-serious property crimes and a fourth category of "residual" offenses (e.g., obstructing justice). The seemingly curious use of the term "consumption" to reflect interpersonal crimes follows the standard economic model discussed earlier. Income-generating offenses represent "market" activities; non-income-generating offenses thus become "non-market," "leisure" or "consumption" activities. Witte suggests that various elements of deterrence work differently for different types of crimes, sometimes in ways that seem paradoxical, given the economic model of crime:

For individuals who specialize in consumption offenses, longer expected sentences appear to provide the most effective deterrent, while for non-serious income offenders a higher probability of imprisonment seems most effective, and for individuals who specialize in crimes other than consumption or income offenses, the probability of conviction seems most effective.⁴⁴

Neither the deterrence nor legitimate income variables

44. Ibid., p.76.

have the expected effect on the serious property offenders, a result which Witte believes attributable to the prevalence of drug addicts among this group. Witte recommends that additional tests of the economic model be employed using individual data, and suggests that these tests "would be most beneficial if they dealt with groups less committed to criminal activity than former prison inmates."⁴⁵

The above discussion of selected examples of econometric research concludes the chapter's consideration of the economic model of crime. What emerges from this literature is conventional economics' continuing reliance on the assumptions of utility theory in framing predictions concerning both labor market and legal/illegal decisions. In specific tests of the economic model, however, relatively few characteristics of the labor market are taken into account, and those that are derive almost exclusively from individualistic theory. In the following section, segmented labor market theories are discussed. These theories invoke an assortment of structural features of labor markets. Also, SLM theories have implications for a theory of employment and crime, since SLM predicts a lack of impact of human capital on labor market success in some job sectors. However, these implications have only been sketchily developed in the SLM literature.

45. Ibid., p.82.

2.4 Segmented Labor Markets and Crime

Although both human capital and segmented labor market (SLM) theories range across a wide spectrum of topics in labor economics--including issues of youth unemployment, effects of minimum wage legislation and racial discrimination--it is in their differing accounts of poverty that the two positions most forcibly disagree. Human capital theory emphasizes the individual deficiencies of the poor, arguing that low levels of self-investment cause some labor market participants to be relatively unproductive and hence unattractive to employers. Segmented labor market theories, by contrast, see the economy as divided into two distinct markets:

[The primary market] offers jobs which possess several of the following traits: high wages, good working conditions, employment stability and job security, equity and due process in the administration of work rules, and chances for advancement. The other, or secondary sector, has jobs which, relative to those in the primary sector, are decidedly less attractive. They tend to involve low wages, poor working conditions, considerable variability in employment, harsh and arbitrary discipline, and little opportunity to advance. The poor are confined to the secondary labor market.⁴⁶

Relying on the notion of a dual economy, or in some versions on a plurality of relatively distinct labor market segments and shelters, SLM theorists attempt to show that some groups of workers are more exposed than others to various structural and institutional barriers to full employ-

46. Michael J. Piore, "The Dual Labor Market: Theory and Implications," in David Gordon, ed., Problems in Political Economy: An Urban Perspective (Lexington, Mass.: D.C. Heath, 1977): 94.

ment. Problems include racial discrimination, unequal returns to education depending on race and sex, minimal impacts of training programs, and limited access to "internal" labor markets provided by large firms and some labor unions.⁴⁷

Conventional economic theory attempts to deal with these problems by reference to "imperfections" in labor markets which should work out over time given the pressures of competition. But segmented labor market theorists would agree with Thurow, who notes:

An observer of the economic game should be extremely reluctant to label anything that has existed for long periods of time a "market imperfection." If the phenomenon has survived, the chances are high that it is an integral part of the game and not a market imperfection. Or at least, this possibility should be seriously investigated and each of the deviant observations should be examined to see if they can be explained in some consistent manner that does not rely on ex post ad hoc market imperfections.⁴⁸

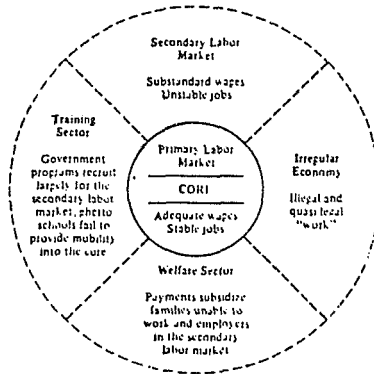
Although SLM theories share a structural emphasis, as well as an interest in the problems of poverty and discrimination, they differ in the structural characterization of the economy. One characterization of worker behavior that

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47. "Internal labor market" refers to the range of intra-firm advancement opportunities in which competition for better jobs is limited to those already hired. As such, the internal labor market is one of a number of "shelters" enjoyed by primary workers. See Marcia K. Freedman, Labor Markets: Segments and Shelters (Montclair, N.J.: Allanheld, Osmun & Co. 1976) and also Peter B. Doeringer and Michael J. Piore, Internal Labor Markets and Manpower Analysis (Lexington, Mass.: D.C. Heath, 1971).
48. Lester Thurow, Generating Inequality: Mechanisms of Distribution in the U.S. Economy (New York: Basic Books, 1975):55.

is of special use for understanding employment and crime issues has been provided by Harrison. As shown in the diagram in Figure 2 below, Harrison locates property-oriented street crime as one of "four kinds of labor-time-consuming and remunerative activities in urban economies which display remarkably similar characteristics."⁴⁹ Individuals move among various activities in the economic "periphery" with relative ease and frequency, while mobility into the primary labor market--the economic "core"--is severely constrained. Rather than distinct groups of criminals, secondary workers, welfare recipients, and "hustlers," Harrison suggests that individuals combine various income strategies to fulfill total income requirements.

FIGURE 2

The Structure of Urban Labor Markets



49. Bennett Harrison, "Employment, Unemployment and Structure of the Urban Labor Market," Wharton Quarterly (Spring 1972).

Harrison and other SLM theorists have also undertaken research which challenges the human capital interpretation of the labor market experiences of blacks. Harrison's study of education and training payoffs for blacks and whites in urban areas concludes that:

...nonwhites living in the nation's largest metropolitan areas have not received returns--measured in earnings or probabilities of unemployment--commensurate with their acquired stocks of human capital, especially when compared with whites living in the same parts of the city. These returns are particularly low--and in the case of reduced joblessness, virtually non-existent--in the urban ghetto.⁵⁰

Other researchers also find that human capital theory does not adequately account for urban labor market experience; these researchers all adopt some form of the segmented labor market approach.⁵¹ Recent work on youth unemployment suggests a heavy concentration of problems among unemployed and discouraged young black males in urban areas. This literature reflects the debate as to whether individual human capital deficiencies or structural labor market issues account for high levels of minority youth unemployment. Feldstein and Ellwood, for example, link chronic youth unemployment to the "relatively little schooling" of some youths, while Clark and Summers attribute much of the problem to

50. Bennett Harrison, Education, Training, and the Urban Ghetto (Baltimore: The Johns Hopkins University Press, 1972): 208.

51. Work illustrating the SLM approach includes David M. Gordon, "Class, Productivity, and the Ghetto" (Ph.D. dissertation, Harvard University, 1971) and Barry Bluestone, "The Tripartite Economy: Labor Markets and the Working Poor," Poverty and Human Resources (July/August 1970); and the references cited in note 47 above.

"shortages of acceptable jobs."⁵² Freeman, in his review of youth unemployment issues, tentatively supports the structural conclusions, and begins to build a foundation for at least some speculation about relationships between unemployment and crime.⁵³

In general, research on youth unemployment suggests that many young workers are given access to job ladders in firms or trades through family and friends; these informal networks transmit attitudes, expectations, and labor market information. Economically successful families have more extensive and better connected networks, more resources to invest in their children, more access to and influence over other agencies of social control, (e.g., the schools) and finally, more direct control over their children's behavior (see Chapter Three). Economically deprived families are less connected and have less to invest in their children. Given additional impediments to employment which arise from persistent racial discrimination, children and young adults in poor minority families are, in effect, structurally blocked from labor market success and simultaneously exposed to greater risk of criminal involvement.

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52. Martin Feldstein and David Ellwood, "Teenage Unemployment: What is the Problem?" Working Paper No.274 (Cambridge: National Bureau of Economic Research, August 1978): 57; Kim B. Clark and Lawrence H. Summers, "The Dynamics of Youth Unemployment" Working Paper No.393 (Cambridge: National Bureau of Economic Research, September 1979, abstract).
53. Richard Freeman, "Why Is There a Youth Labor Market Problem?", Chapter One in Bernard E. Anderson and Isabel V. Sawhill, eds., Youth Employment and Public Policy (Englewood Cliffs, N.J.: Prentice-Hall, 1980): 6.

Bowen and Finegan report that labor force participation of males 14 to 17 years of age enrolled in school in urban areas in 1960 is positively related to income of other family members for a sample of families whose total income ranges between \$4,000 and \$11,000. Their explanation is that youngsters in higher income families have a comparative advantage in finding part-time jobs: "Parents are more frequently able to help, mainly as a result of their business and social contacts."⁵⁴ In another study, Robert Lerman finds that children of white collar workers have significantly higher rates of employment as compared to children of blue collar workers.⁵⁵ Finally, Albert Rees and Wayne Gray also attempt to test the hypothesis that parental contacts assist youth in finding jobs. Although their results show no significant effects of parental characteristics on youth employment, they do find an impact of siblings' employment, again suggesting a family influence.⁵⁶

Other studies relate non-economic variables to differences in behavior and labor market success. Osterman, for instance, relates labor market characteristics to age in studies of aggregate age-specific data and in exploratory,

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54. William G. Bowen and T. Aldrich Finegan, The Economics of Labor Force Participation (Princeton, N.J.: Princeton University Press, 1969).
 55. Robert Lerman, "Analysis of Youth Labor Force Participation, School Activity and Employment Rate" (Unpublished Ph.D. dissertation, M.I.T., 1970).
 56. Albert Rees and Wayne Gray, "Family Effects of Youth Employment," National Bureau of Economic Research Conference on Youth Joblessness and Employment, May 1979.

qualitative research.⁵⁷ He sees three distinct stages in youthful labor market experiences: moratorium, exploration, and settling down. The moratorium period, when youths are not interested in full-time, steady work, encompasses ages 16 to 19; exploration, when some jobs are tried out, but not on a fully committed basis, spans ages 20 to 24; and settling down begins at around age 25. Other studies suggest an impact from early labor market experience on subsequent experiences. Adams and Mangum inquire into the importance of unsatisfactory experiences at an early age in workers' subsequent labor market activity and success.⁵⁸ Using data from the National Longitudinal Surveys (which include workers experiencing short-run transitional problems) they find that:

There appears to be little question that, on the average those having difficult labor market experiences as youths are the same individuals who have difficulties later on. While many unemployed youths successfully move into well-paying, permanent positions, many will not do so by the time they are in their mid-twenties and, as a result, face a real disadvantage as adult workers.⁵⁹

Though other research is available that supports the range of findings outlined above, we have been unable to locate econometric work that directly addresses the possible linkages between youth labor force experience and crim-

57. Paul Osterman, "The Structure of the Youth Labor Market," New York: Research Center for Economic Planning, March 1975. (Mimeo).

58. Arvil V. Adams and Garth L. Mangum, The Lingering Crisis of Youth Unemployment (Kalamazoo, Mich.: The W. E. Upjohn Institute for Employment Research, 1978).

59. *Ib:d.*, p.103.

inality. We have seen that the economic model, bolstered by human capital theory, accounts for employment and crime relationships through calculations of marginal utility that weigh the monetary returns of legal versus illegal options. SLM theories, although they emphasize the role of institutional and organizational features of the economy, would probably concur with the notion of a predominantly economic motivation. The difference between the two positions is in their accounts of obstacles preventing economic success, not in the primacy of the economic goal itself.

In summary, conventional economic analysis and SLM theories offer different interpretations for the relationships between human capital, employment opportunities, and crime. Human capital theory emphasizes the "return on investment" of education and training in the labor market; consequently, human capital and crime would tend to be inversely related since increases in human capital would increase productivity and legal earnings opportunities. Segmented labor market theories, on the other hand, stress that variations in human capital do not automatically translate into labor market rewards; institutional factors play a more important role in determining labor force status. Education and training--if available for individuals in secondary labor markets--will not tend to result in increased employment opportunities and earnings, so the relationships between human capital, employment and crime are much less clear cut. Although SLM theories do not fully elaborate the linkages between employment and crime, they do provide a

rich description of labor market activities differentiated according to structural and institutional settings. In such a context, it can be seen that individuals may engage in crime not just because the competing economic rewards from legitimate employment are minimal, or even because opportunities for economic and occupational advancement are limited, but in part because the array of secondary employment roles available to them are themselves not distinctively different from "hustling" on the street or negotiating hostile welfare bureaucracies.

2.5 Tentative Conclusions and Suggestions for Further Research

From the literature reviewed above, it can be seen that agreement has yet to be reached both on the most appropriate economic perspective with which to study employment and crime and the most fruitful methodology to employ. SLM theories suggest the need to broaden the set of research questions to include structural factors and some methodologists working within the framework of conventional economics call for pursuing research at the individual level. This section briefly discusses other suggestions for further employment and crime research.

Aggregate measures used and subpopulations studied

Since aggregate-level research remains a much less expensive and more generalized opportunity for studying employment and crime relationships, several improvements can be proposed. Aggregate-level analyses should incorporate

units of analysis that are relatively homogeneous and mutually comparable in terms appropriate to a given theoretical model. Thus, for example, only medium-sized cities were selected by Sjoquist in his test of an economic model. He eliminated cities adjacent to other urban areas because of the possibility of "spill-over effects."⁶⁰ For different reasons, time-series analyses also ensure comparison of relatively homogeneous units since the same city (or other unit) is compared across different time periods.

Individual-level research using broadly-defined samples of potential offenders

The difficulties of interpreting aggregate-level results, exemplified in the discussion above of Ehrlich's research, provide ample reasons for the use of individual-level measures. Manski, in an article discussed above, also elaborates on the need for individual-level crime research.

...anyone can commit a crime. Hence, the relevant decision-making population for a study of criminal behavior should be the entire population of an area and not some a priori specified "criminal element."⁶¹

In making this point, Manski is influenced by the problem of "truncated" sampling or self-selection. Research using individual data on arrested or imprisoned groups is evidently confined to those who "decided" in some degree in favor of one sort of option: the illegitimate one.

60. David Lawrence Sjoquist, "Property Crime and Economic Behavior," American Economic Review 63 (June 1973): 439.

61. Manski, "Prospects for Inference," p.406.

Manski's call for sampling from the "entire population" is further supported by the fact that sampling of offenders invariably involves selection at varying distances from the behavior itself. For those doing crime, arrest is a probabilistic outcome, conditioned by numerous criminal justice and behavioral variables about which the analyst will usually have skimpy information. If arrested, then conviction and sentencing to imprisonment are subsequent joint outcomes representing only one of a complex, branching tree of possibilities. The shape of the "tree" is itself determined in part by the extent of aggregate crime.

The offender's progress through different stages of the criminal justice system depends on interactions between characteristics of the system and of the offender. Therefore, any sampling of officially-defined offenders is contaminated by many factors irrelevant to the determinants of the offender's "crime decision."

Relating Crime Research to the Criminal Justice System

So far, we have been concentrating on those methodological problems relating to the adequacy of the economic model as a theory of behavior--with emphasis on the behavior of individual offenders or potential offenders. But as discussed in the introduction to the chapter and beginning with Becker's initial formulation, the economic model has been explicitly addressed to policy concerns as well as to efforts to build behavioral models. As a policy guide, the economic model has questionable relevance to the administration of criminal justice. For example, to see the "output"

of police and courts as chiefly apprehension and conviction is to overlook much of what police and courts actually do. The police "keep order" in poor communities; they respond in a large proportion of cases to calls not related to criminal offenses; and in general they serve as an agency of "last resort" for many poor people who cannot afford other social services.

Similarly, although the popular image of court activity depicts a process which sends criminals off to prison, the underlying situation is much more varied and complex. Low rates of reporting of crime by citizens; low clearance rates by arrest; further weeding out of cases at initial charging and indictment; and disposition through plea and sentence bargaining suggest that very few crimes among a large estimated volume of felony crimes actually culminate in arrests, let alone prison sentences. For example, calculations based on data from Vera's recent study of the felony disposition process in New York City support the estimate that of 100 felony offenses committed in New York City (only half of which are likely to be reported to the police), 2.7 lead to a jail or prison sentence of any kind, and only 0.3 lead to a felony sentence of over one year.⁶²

62. See Vera Institute of Justice, Felony Arrests: Their Prosecution and Disposition in New York City's Courts (New York: Longman, 1981), pp. 1-3. If about one half of all felony crimes are reported, about one in five reports "cleared" by an arrest, then Vera's Figure 1 (Ibid., p.1) gives the results described in the text. As Vera points out, reporting of crimes and clearance by arrest vary considerably according to crime type and circumstance.

Thus, proposals in the economic model of crime for "optimal" policy designs must be reconsidered in light of the actual workings of the criminal justice system. For example, if the policy suggestion is that the proportion of felony offenses leading to imprisonment be doubled, it is not at all clear that such a policy could be implemented. Research in criminal justice is beginning to suggest that the proportions of felony cases resulting in various dispositions (e.g., dismissals, convictions, incarcerations) may be fairly stable over time and across jurisdictions. If, on the other hand, the policy suggestion is that the actual number of people receiving felony imprisonment be doubled, costs involved in implementing that policy are likely to be immense. If we assume the relative stability of the distribution of dispositions, the only way to double the number of people sentenced to jail or prison is to double the number of people handled by the system at each of its various processing points.

Focusing on labor market realities

Our earlier conceptual discussion of the economic model of crime suggests uncertainty over whether all crimes were to be considered as labor market activities. In Becker's formulation, the time-allocation decision is made between legal and illegal activities, without reference to a cross-cutting division between income-generating and consumption activities. Ehrlich, in elaborating his model to incorporate age-specific labor force participation rates, speculates that crimes against persons are to be viewed as time-

intensive "consumption activities," thus accounting for an observed negative impact of labor force participation on such crimes. Gillespie comments on Ehrlich's theoretical argument:

...if the labor force participation rate falls, more time is now available for consumption activities--a scale effect. Further the fall in labor force participation may also be related to a fall in wage returns of legal activity--a substitution effect. Both effects will make crimes against persons more attractive. The scale effect releases time that may now be spent in part in such time-intensive consumption activities as rape, murder, and assault. The substitution effect also makes the consumption of market goods a relatively less attractive activity for contributing to utility because the lower wage rate will require a greater expenditure of working time to get market goods from which utility is derived. In comparison, rape, murder and assault are activities which can provide a direct increase in utility without any intermediate market activity.⁶³

Though Gillespie characterizes Ehrlich's argument as one which is "theoretically consistent but otherwise strains one's credulity," the problem lies more in the ad hoc introduction of speculations concerning labor market activity and the personal impacts of unemployment.⁶⁴ If it is conceded for the moment that unemployment is a stressful condition that in all likelihood places the individual into contact with others similarly under stress, the relationship between declines in labor force participation and increases in personal crimes does not appear at all forced. Indeed, though an inadvertent comic flavor attaches to the jargon-laden characterization of rape and murder as "time-intensive con-

63. Gillespie, "Economic Factors," p.36.

64. Ibid.

sumption activities...that provide a direct increase in utility without any intermediate market activity," the negative correlation between labor force participation and crimes against persons appears plausible. Nevertheless, the explanation of that correlation as a product of the individual's utility-maximizing choices still strains credulity. It may be more understandable if this behavior is seen as particular outcomes within a range of activities engaged in by labor force drop-outs who are under stress and who have "time on their hands."⁶⁵ (The discussion of street and peer-group subcultures presented in Chapter Three is relevant to this issue.)

The economic model of crime does not address labor market realities in another important respect--the model is not conceptualized in a way to take into account the disparity between black and white labor force experiences and the interaction of this difference with the impact of criminal justice agencies. A rough estimate of male prisoners in state and federal institutions in 1976 shows 141,800 whites and 135,700 blacks.⁶⁶ If these white male prisoners were added to the count of the white unemployed in 1976, the resulting unemployment rate for white males would only rise from 6.4 to 6.6 percent, a 4.1 percent relative increase.

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65. For a selection of papers on the topic of unemployment's impact on health, see Louis A. Ferman and Jeanne P. Gordus, eds., Mental Health and the Economy (Kalamazoo, Mich.: The W. E. Upjohn Institute for Employment Research, 1979): passim.
66. Telephone conversation with Thomas Pedesek, National Prisoner Statistics Program, September 1978.

If black male prisoners were added to their unemployment group, the black rate would rise from 12.7 to 14.7 percent, a 15.5 percent relative increase.⁶⁷ Black male unemployment rates may be further increased if accurate data could be obtained on blacks detained or serving misdemeanor sentences in local jails; if undercounts of ghetto populations were corrected; and if the greater incidence of "subemployment" and labor force drop-out among blacks were taken into account.

Officially, for every 5.5 blacks who were unemployed in 1976, one was imprisoned; for whites, the ratio is 22.7 to one. These sharply different ratios suggest that black unemployment is much more sensitive than white unemployment to fluctuations in penal populations or other changes in criminal justice procedures. Penal practices thus contribute to obscuring the magnitude of the underlying unemployment problems of the black population, even though existing figures reveal severe problems. The specific labor market difficulties of blacks and other disadvantaged groups are also downplayed when analysts employ overall unemployment rates in lieu of rates specific to the given sub-population; when discouraged and underemployed workers are ignored in conventional statistics of unemployment; and when census techniques fail accurately to enumerate inner-city residents.

It is difficult to tell what effects more specific social indicators and improved measurement techniques would have on the strength of measures of association between ag-

67. The calculation assumes that all prisoners would be in the labor force and unemployed; important differences remain even if this assumption is relaxed.

gregate rates of unemployment and underemployment and crime. Current statistics probably underestimate the degree of association between labor market problems and crime to the extent that unrecorded variations in underemployment do correlate with crime but vary independently of unemployment rates. Global unemployment rates are an inadequate proxy for unobserved under- and unemployment rates of specific sub-populations. Direct measures of the latter would almost certainly increase observed associations between unemployment and crime. When it is remembered that the labor force participation rate for black youth (the proportion of those working or actively seeking work) was below 40 percent in December 1979, the current emphasis on changes in global unemployment (all those unemployed but actively seeking work) to account for crime in economic terms does not appear convincing.

Policy Issues

The discussion of the human capital and segmented labor market positions above reveals a fundamental difference in their respective conceptions of the structure and internal processes of the labor market. These differences, in turn, produce substantial differences in how the two schools of thought view the nature of the labor market alternatives available to individuals and how these alternatives are generated. The conception of human capital theory is individualistic, focusing on individual actions of employers and workers within competitive market settings. It assumes that the range of market alternatives is rather equally distri-

buted across racial, ethnic and social strata. SLM theories emphasize the role of historical, institutional and organizational features of the economic environment and suggest that these features of society serve to divide the labor market into segments each of which offers its members different labor market alternatives.

It is not the purpose of this review to voice an opinion concerning the relative explanatory power, cogency or realism of the two economic approaches. It is appropriate, however, to point out the divergence in policy positions that are associated with these competing theoretical positions. In this context, a peculiar irony emerges. The human capital conception emphasizes the notion that labor market rewards are apportioned on the basis of individual productivities that in turn result from self-investments in schooling and training. Extended to include criminal options, this conception leads in principle to the relatively optimistic, politically liberal notion that improved legal opportunities--embodied in added schooling and training that augment productivity--would reduce crime by increasing its "opportunity costs." Instead, the human capital conception is today associated with deterrence policies. The general notion of the role of incentives in influencing behavior is in practice transmuted into a policy emphasis on increased negative sanctions. (As will be seen in Chapter Four below, numerous manpower and training approaches have been developed for ex-offender and delinquent groups that embody the assumptions of the human capital model. However, the indi-

vidualized economic approach to crime has become linked with deterrence policy, not with raising the returns from legal labor market options.)

On the other side of the debate among economists, the SLM positions are concerned to account for the labor market failures of the poor and to avoid a "blaming the victim" approach. The inadequate schooling, training and employment histories of poor, high crime groups are acknowledged but they are seen as an essential component of the structure of segmented labor markets. While this viewpoint certainly avoids blaming the victim, the specific interventions that might increase opportunities and alleviate crime are politically controversial. Such interventions might include: targeted tax credits; affirmative action laws and their stringent enforcement; the funding of urban development under neighborhood control; permanent public sector employment; subsidized on-the-job training in the private sector; minority contracting and employment guarantees; and full employment monetary and fiscal policies.

The apparent failure of many manpower programs for ex-offenders to reduce crime would be seen by SLM theorists as resulting from these programs' continuing emphasis on secondary employment. Moreover, to provide other than secondary employment opportunities for significant numbers of ex-offenders, without broader full employment efforts, would leapfrog many other disadvantaged groups in the economy.⁶⁸

68. For a sustained discussion of the political implications of limited economic growth, see Lester C. Thurow, The Zero-Sum Society: Distribution and the Possibilities for Economic Change (New York: Basic Books, 1980).

In the absence of broad structural economic change, near minimum wage employment will probably continue as the norm for any large-scale efforts directed at ex-offenders. Given these approaches, the SLM position predicts a continuing failure of these programs to substantially reduce crime.

Are employment and crime policy alternatives as bleak as would appear to be the case from the foregoing? The answer may depend on considerations that go beyond the scope of the current debate between the human capital and SLM conceptions of the labor market. For example, Chapter Three discusses sociocultural factors that partly account for crime differentials not readily explained by exclusively economic considerations. Family socialization, schooling and the cultural institutions associated with different age grades and the process of maturation are among important, non-economic "third factors." These factors will be considered in the next chapter.

Chapter Three

ANTHROPOLOGICAL AND SOCIOLOGICAL PERSPECTIVES
ON EMPLOYMENT AND CRIME RELATIONSHIPS3.1 Introduction

The employment and crime literature reviewed so far has derived from competing perspectives within the disciplinary framework of economics. This chapter opens in Section 3.2 with brief consideration of a number of inter-related, non-economic institutional factors: characteristics of the family, schooling, and behavioral and cultural patterns that relate to age (maturation). These institutional areas are of course complexly intertwined--both with one another and also within the over-all sociocultural fabric itself. From a strictly methodological point of view, they might all be considered as "third factors" to be taken into account in an analysis of empirical data relating employment to crime. In such a role, they would serve as antecedent or intervening variables that qualify inferences about employment and crime relationships and perhaps complicate empirical analysis.

But besides introducing "third factors," the anthropological and sociological literature also provides a new perspective within which some already familiar topics from Chapter Two can be reworked. For example, in Chapter Two segmented labor market (SLM) theories pointed to an interplay among competing legitimate and illegitimate opportunities from a strictly economic (labor market) point of view. In Section 3.3 of this chapter, the concept of blocked

legitimate opportunities as a causal factor in crime within structure of opportunity theory is considered, here from a sociological rather than an economic perspective. The SLM approach to crime can be seen, in fact, as an economic version of structure of opportunity theory: blocked legitimate opportunities for success make illegitimate opportunities more attractive. As will be seen, however, the overlap is by no means total. The sociological account goes on to predict different types of illegitimate responses depending on such structural circumstances in the local setting as the integration of age groupings and of legitimate and illegitimate opportunity structures. These attributes of the local political and social structure go well beyond even the expanded notion of labor markets introduced by the SLM theorists.

Finally, Section 3.4 takes up selected subcultural issues, emphasizing the notion of subcultures as adaptive over the long term when confronting significantly altered external circumstances. This view of adaptive subcultures has emerged from a 1960's debate in which early, tentative formulations of a "culture of poverty" thesis appeared to support a pessimistic, almost self-fulfilling prophecy of continuing disadvantage, in turn supporting politically conservative economic and social policies. At the core of the "culture of poverty" thesis was the untested, and possibly untestable, inference that even if significant new opportunities were to arise in the contemporary situations in which the poor find themselves, they would not be able to take advantage of them because of subculturally-derived shortcomings.

The understanding that culture is adaptive does not ignore the possibility of cultural phenomena that may pose obstacles to the group, but focuses instead on the nature of the collective experience to which these phenomena are a response. Thus particular traits of a "poverty subculture" are not static, but are created and modified as the group adapts to its experience. Change the experience and the collective adaptations of the group would change--even though some traits would change faster than others. Thus, the understanding of culture as a product of adaptation lends support to economic and social policies that are designed to change collective experiences. It also requires that such policies be applied long enough for the cultural adaptations to take place.

3.2 Sociological Research Yielding "Third Factors"

Sociological theory and empirical research have yielded a large and variegated body of findings and conceptual approaches relevant to a study of employment and crime relationships. Surveys of youth, research into determinants of school drop-out and delinquency, and analyses of official statistics that describe age-related patterns in criminal arrests are examples of these approaches. In some cases, this sociological and criminological research also rests upon well-developed theoretical foundations that are relevant to a review of employment and crime relationships, for example, the anomie-structure of opportunity position. In other cases--labelling theory, social control theory--relatively coherent theoretical positions have been developed,

but they are of only marginal relevance to this review. Finally, in some cases, such as the phenomenon of "aging out" of crime, theoretical work is relatively sparse.

Faced with this diversity of positions, we have chosen to highlight three "third factors" that appear to mediate employment and crime relationships. The factors selected--family, education and age--were chosen, in part, because they are alluded to often in various explanations of the differential impacts of employment programs on criminality. It is argued, for example, that employment programs have more impact on older, better educated clients, or on those with stronger family ties.

The significance of such "third factors" as family, education and age is that at times they can be seen as acting independently on both employment and criminality. For example, developing conjugal family ties might influence a youth to forsake criminal activities for steady employment. Such a change in social status and experience could result in a correlation between employment and reduced crime, but not as a direct impact of the one on the other. Early family socialization might be seen as encouraging employment and discouraging criminality. In other instances, however, "third factors" might be seen as impacting on social contexts that in turn encourage or impede criminality. Parental unemployment, for example, might be seen as weakening parental authority and family resources, which in turn might translate into patterns of delinquency among youth in the family.

Education, already discussed in Chapter Two in terms of its human capital impact on employment, is here considered

in terms of its direct impact on both criminality and labor market status. Much research suggests that success in school is negatively correlated with delinquency and positively correlated with labor market success; yet the role that educational institutions play as a "third factor," channeling individuals respectively into legitimate and illegitimate paths, is not clearly delineated in the literature.

The last factor to be discussed--age--is generally recognized as having some relationship to both crime and employment, but the relationship has not been accounted for theoretically. Property crime is committed disproportionately by youth. Many of those who become involved in crime in their adolescence seem to "mature out" of crime in their late teens and early twenties, forsaking criminal activities and turning to legitimate employment. Although there are various explanations of this phenomenon--some based exclusively on the characteristics of different age groups, others pointing to age-graded opportunity structures---it seems clear that the process of "maturing out" is a major factor to be considered independently of other factors in exploring relationships between employment and crime.

3.2.1 Family, Employment and Crime Relationships

In the crime and especially juvenile delinquency literature, family factors are accorded important causal status. In sociologically-based theories of delinquency, the family is considered to be central in delinquency formation and

future criminal behavior. Then we turn to economic behavior, a different causal role for the family emerges. Most social scientists see the family within industrial society as an institution basically reacting to imperatives generated by the economy.¹ Unemployment, for example, can create marital discord and family breakup. If, on the other hand, we were to think of family as a "third factor" complicating or elaborating relationships between economic factors and crime, then the simplest assumption would be that family variables intervene between the two. In this view, employment and labor market variables have their primary impacts on family factors (breakup, type of discipline) and these outcomes in turn act on criminality. Of course, these interrelationships may be more complicated than first appears. Many causal sequences involving specific variables subsumed under each factor are theoretically possible, and not all of them may follow the assumed causal sequence from economy to family to criminality. In order to sort out these effects, we first consider the simpler relationships between family and crime, and between family and economic factors.

Criminologists have identified many family variables thought to be related to crime. Following Rodman and Grams, we distinguish between family structure variables (such as family composition), and family interrelationship variables (such as marital or parent-child harmony), and discuss each

1. For a recent, broad overview of social science interpretations of the family, see Christopher Lasch, Haven in a Heartless World: The Family Besieged. (New York: Basic Books, 1977).

type separately.² A review of the criminological literature indicates that family factors have been related mostly to delinquency. Very few citations in this section will refer to the relationship between family variables and adult crime. Implicitly, then, sociologists view the family of childhood as indirectly causing adult crime through its role in delinquency formation.

Among structural factors that have been related to delinquency are broken homes, position in order of birth and family size. The greatest attention in the literature has been paid to the existence of broken homes in geographical areas with high crime rates. Willie found high correlations between economic status, broken home, and juvenile delinquency rates among white and non-white areas of Washington, D.C., but the large negative correlation between economic status and broken homes makes causality at the individual level unclear.³ Schuessler and Slatin found high correlations between divorce rates (among many other social and economic factors) and some property crime index rates.⁴ By factor analysis, they subsumed this family variable within an anomie cluster. These and other ecological studies have

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2. Hyman Rodman and Paul Grams, "Juvenile Delinquency and the Family: A Review and Discussion," in The President's Commission on Law Enforcement and Administration of Justice, Task Force Report: Juvenile Delinquency and Youth Crime (Washington, D.C.: Government Printing Office, 1967) pp.188-221.
 3. Charles V. Willie, "The Relative Contribution of Family Status and Economic Status to Juvenile Delinquency," Social Problems 14(1967):326-335.
 4. Karl Schuessler and Gerald Slatin, "Sources of Variation in U.S. City Crime, 1950 and 1960," Journal of Research in Crime and Delinquency (July 1964):127-148.

been criticized for their tendency to derive complicated theoretical constructs from available census data and for their improper inclusion of dependent variables (crime) within explanatory factors.⁵

Studies using data on individuals rather than on areas have found a relationship between broken homes and juvenile delinquency, but the theoretical significance of the relationship remains questionable. In an early review of the literature, Toby suggests that the effect of a broken home depends on the actual control a family exercises over its children.⁶ A family normally has more control over preadolescents than adolescents, and more control over girls than boys. Therefore, the effects of a broken home will be felt more among pre-adolescents (with respect to property crime) and among girls (with respect to non-property crime).

Among other family structure factors that have been related to delinquency are the child's birth order position (middle children are more likely to become delinquent); family size (positively related to delinquency); and maternal deprivation. Less research has been done on these factors, perhaps suggesting consensus among sociologists about their relative lack of causal significance. Rodman and Grams re-

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5. See John Baldwin, "Social Area Analysis and Studies of Delinquency," Social Science Research 3(1974): 151-168; J.A. Wilks, "Ecological Correlates of Crime and Delinquency" in the President's Commission on Law Enforcement and Administration of Justice, Task Force Report: Crime and Its Impact (Washington, D.C.: Government Printing Office, 1967), pp.138-156.
 6. Jackson Toby, "The Differential Impact of Family Disorganization," American Sociological Review 22(1957):505-12.

view these studies and conclude that while the broken home is important, it is less significant as an explanation of delinquency than other indicators of family interrelationships. Before we discuss interrelationships, we will consider relationships between family structure and economic variables.

It is commonly known that economic status affects family structure. It is generally believed that among those of lower socioeconomic status, there is a greater incidence of marital dissatisfaction and breakup.⁷ The operant economic variable might be low income, or the characteristics of low skill jobs, but in terms of crime causation, family structural factors such as broken homes are seen as reactions to economic causes.⁸ It is also possible to conceive of family factors as having effects on future economic status, as in "vicious cycle" theories of poverty. As an example of family effects on economic behavior, we might mention Bullock's finding that youths in homes without fathers had less knowledge of the labor market and that Chicanos in Los Angeles had greater access to factory jobs than blacks partly because they were more likely to have fathers present in their

7. See, for example, Lee Rainwater and William Yancey, The Moynihan Report and the Politics of Controversy (Cambridge, Mass.: The M.I.T. Press, 1967) concerning lower-class black family and disorganization.

8. William Ryan, Blaming the Victim (New York: Random House, 1971); see also, Elliot Liebow, Tally's Corner: A Study of Negro Street Corner Men (Boston: Little, Brown and Co., 1967).

households.⁹ Bullock did not consider whether these differences in labor market behavior ultimately had an effect on criminal activity, but it would be reasonable to assume that this was the case.

Rodman and Grams review a number of relationship variables that have been found to be associated with delinquency. Some studies have found marital discord and parent-child disagreements to be related to delinquency. Hirschi, on the other hand, finds few differences between delinquents and non-delinquents on these factors.¹⁰ Some studies have found the type and consistency of discipline exercised by parents related to delinquency, but there is much disagreement in the literature on this. Other studies have found a relationship between parental rejection and delinquency, but here again, Hirschi's study questions the relationship.

Finally, one tradition in criminology, control theory, points to the family as the key institution in creating internalized controls in individuals through the socialization process. Control theory has given more attention to internalization of norms and to self-image as key variables, and has not dealt directly with the ways in which the family goes about creating internalized norms in children. Thus, Hirschi argues that delinquents fail to internalize conventional group norms. His theory suggests, but does not directly deal with, the failure of family socialization, by

9. Paul Bullock, Aspiration vs. Opportunity: Careers in the Inner City (Ann Arbor: Institute of Labor and Industrial Relations, University of Michigan, 1973).

10. Travis Hirschi, Causes of Delinquency (Berkeley: University of California Press, 1969).

suggesting that delinquents are formed when parents fail to create conventional role models for children to follow.¹¹ Failures at socialization might also be related to crime by impairing the future labor market or educational behavior of children.

Turning now to the relationship between economic factors, family socialization and crime, Kohn has shown that certain values that parents want their children to hold mirror the parents' work conditions (not in a one-to-one correspondence but as a view of what people want and how they act).¹² Working-class parents stress external conformity to norms (neatness, promptness, obedience to authority) while middle-class parents stress internalized control (self-direction, self-control). Bowles and Gintis theorize that these value patterns correspond to the types of behavior required by lower and higher positions in bureaucratic settings.¹³ Families, on this view, "reproduce" the class structure by the kinds of values they stress in their children's socialization. Extending this to lower class socialization, we might assume that the lower class, exposed to low paying, transient, insecure and often non-unionized jobs, would form a view of the world in which nothing good would be expected to last. Rainwater suggests this by re-

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11. For a review of control theory, see Gwyn Nettler, Explaining Crime (New York: Dorsey McGraw-Hill, 1972): Chapter 16.
 12. Melvin Kohn, Class and Conformity: A Study of Values. (Homewood, Ill.: Dorsey Press, 1969).
 13. Samuel Bowles and Herbert Gintis, Schooling in Capitalist America (New York: Basic Books, 1976).

ferring to working-class socialization for the strategy of the good life, middle-class socialization for the strategy of career success, and lower-class socialization for the strategy of survival.¹⁴

The effects of family factors on crime and employment have been discussed from the vantage point of adolescent development. The adolescent has little control over the family factors that may shape his future. However, these factors recede in immediacy as the adolescent grows up and as a young adult begins to establish his adult life pattern, including the choice of whether or when to marry and have children. These choices, in turn, may affect and be affected by criminal behavior. For example, the literature suggests that choosing a spouse, common-law wife or steady girlfriend precipitates leaving delinquent gangs around age 17.¹⁵ Among prisoners, having lived alone or having been divorced seems to be more common than among the general population. Rand's study of habitual felons found that half of the sample had been married at one point in their life but only 14 percent were married during a three-year study period that centered on the period during which the offense was committed for which they were incarcerated.¹⁶

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14. Lee Rainwater, Behind Ghetto Walls (Chicago: Aldine Publishing Co., 1970).
 15. James F. Short and Fred L. Strodbeck, Group Processes and Gang Delinquency (Chicago: University of Chicago Press, 1974).
 16. Joan Petersilia, Peter Greenwood and Marvin Lanvin, Criminal Careers of Habitual Felons (Santa Monica, Cal.: The Rand Corporation, 1977)

It would be fair to conjecture that marriage and crime may not be compatible lifestyles. For example, Letkeman reports that career criminals tend to reject on-going relationships because they do not fit in with their work conditions; but it should also be kept in mind that in specific circumstances either factor could feed back on the other.¹⁷ In a dissertation based on data from the Baltimore LIFE Project, a program providing short-term stipends to prison re-releasees, Genevie analyzed in detail the relationship between family choice, work, and recidivism.¹⁸ He found that released prisoners involved in traditional family activities were more likely to engage in legitimate work, while those participating in the "street corner society" (for example, living alone) were more likely to engage in activities typical of the "irregular economy." Participating in either of these economic systems, however, reduced the individual's chance of engaging in crime as measured by the frequency and severity of subsequent arrests. Neither living in a traditional family setting nor living alone had direct effects on criminal activity. Rather, their effects were exerted indirectly, mainly through the kinds of economic systems in which individuals were active.

A review of crime studies using family variables leads us to conclude that family factors need to be taken into account in research on the relationship between labor market

17. Peter Letkeman, Crime as Work (Englewood Cliffs, NJ: Prentice-Hall, 1973).

18. Louis E. Genevie, "Common Law, Crime Severity After Release from Prison" (Ph.D. dissertation, City University of New York, 1978).

factors and criminal activity. However, most studies suggest that family factors (specifically early family structure, socialization during adolescence and family choice during young adulthood) are likely to exert indirect effects on criminal activity through their direct effects on labor market activities.

3.2.2 Education, Employment and Crime Relationships

In the juvenile delinquency literature, education is also considered potentially as related to crime as are family factors. Similarly, education's effects are thought to be of less importance in explanations of adult crime. This section, therefore, deals mostly with the effect of education on juvenile delinquency together with its possible direct and indirect effects on young adult crime.¹⁹

We begin this discussion by stating what amounts to a truism: doing well in school is negatively related to juvenile delinquency.²⁰ While sociologists would accept this as the starting point of a discussion, they would soon diverge on the question of what to make of it. Why do those who do

19. In the sense that few adult institutional activities continue to revolve around education. In gross terms, educational attainment continues to be statistically associated with criminality. For example, 80 percent of prison inmates have less than a high school diploma (cited in Edwin Sutherland and Donald Cressey, Criminology (Philadelphia, Pa.: J. B. Lipincott Co., 1974). However, this statistical association, like those of other background factors, does not provide much explanation of the causal significance of education.

20. See Hirschi, Causes of Delinquency.

not fare well in academic competition tend to engage in delinquency? Does academic success directly avert delinquency or do they both result from the impact of other school or family factors?

Sociologists see school as a multi-functional institution.²¹ Schools help select candidates for positions within the labor market, supposedly on the basis of academic performance. Schools are also socializing institutions, instilling the general values of the culture, much as the family does. Finally, education may have some negative side effects in the sense of unforeseen, and potentially disruptive, consequences of routine activities. In the latter case, our interest is in the effect of schooling on prolonging adolescence, although other negative side effects may be conceived.

One interpretation of the consequences of academic failure for juvenile delinquency is that the latter may be a reaction to the strains of failing at an important, socially prescribed activity. Expressed in psychological terms, Cohen focuses on an assumed "reaction formation" in which failure is neutralized by upholding negative values.²² Subsequent research on delinquency has cast doubt on this interpretation. For example, Elliott and Voss found few dif-

21. See Walter E. Shafer and Kenneth Polk, "Delinquency and the Schools" in The President's Commission on Law Enforcement and Administration of Justice, Task Force Report: Juvenile Delinquency and Youth Crime (Washington, D.C.: Government Printing Office, 1967).

22. Albert K. Cohen, Delinquent Boys (New York: The Free Press, 1961).

ferences in academic achievement between delinquents and non-delinquents.²³ Similarly, Hirschi failed to find a strain effect in examining the combined effect of aspirations and achievement on delinquency.

One effect of academic failure often ignored by delinquency research is its role in reducing human capital. From the perspective of the economic model of crime, it seems more likely that school dropouts would engage in illegal activity because their low educational achievement supports expectations of low earnings in legitimate labor market activities.²⁴ Alternatively, other studies suggest that school dropouts may face little or no penalty in finding secondary work. Such studies by economists are based, however, on aggregate data and adult crime. Still other studies by sociologists, specifically of delinquency, suggest that it is questionable whether the human capital problems of dropouts cause delinquency. Elliott and Voss, for example, discovered that delinquents reduced their frequency of delinquent activities after dropping out of school. This does not, however, necessarily contradict a hypothesized relationship between education and crime. It may be that lack of educational achievement has its greatest human capital

23. Delbert S. Elliott and Harwin L. Voss, Delinquency and Dropout (Toronto: D.C. Heath and Co., 1974).

24. These positions were reviewed in Chapter Two, especially Section 2.2. See also Isaac Ehrlich, "On the Relation Between Education and Crime," in Education, Income and Human Behavior, ed. J.F. Juster (Washington, D.C.: NBER and Carnegie Commission on Higher Education, 1974).

effect on crime in late adolescence and early adulthood, which is when the problem of entry into the labor force begins to be seriously confronted. It is at this point that low educational achievement might tip the scales in favor of illegal activity.

Some sociologists have considered the effect of school socialization in fostering delinquency. Elliott and Voss suggest that the competitive and disciplinary features of school life create rebellious behavior that, for some, may be transformed into delinquency. Hirschi concurs that school socialization fails to encourage conventional behavior in some students, but he absolves the schools by arguing that teachers and administrators are powerless to socialize unless parents have instilled the proper orientation in their children. That is, commitments to conformity are said to precede adolescent school experience. Schools may be able only to reinforce such commitments if they are already present.

In this context, it is useful to refer to Bowles and Gintis's contention that the schools support adult occupational stratification. In their view, school socialization mainly molds the young for the world of work. Middle-class schools reward creativity, independence, and other traits suitable for work at higher bureaucratic and organizational levels. Working-class schools reward obedience, dependability, and other traits that are more suitable for work in low-level clerical and factory jobs. For example, Bowles and Gintis show that grades are more related to teachers' ratings on the above traits than they are to objective indi-

cators of competence. Their theory, however, does not account for the modest amount of intergenerational mobility in industrial societies. How do some working-class children wind up in higher educational levels, despite the predominantly opposite influences of their school environments?

Hirschi believes that school socialization fails lower-class youth, because schools reward behavioral traits that may contribute to unacceptable self-images for lower-class adolescents. Given the early autonomy from family influences of lower-class children, submission to authority may not promise long-range payoffs. Working-class adolescents, on the other hand, may come to realize that the work worlds of family and friends do provide the promise of future benefits through submission to school and family authority. If the psychic costs of submission for the working-class adolescent seem too great, he or she might decide to drop out of school and leave the family. But, as Osterman points out, even so, the working-class youth's labor market networks will probably place him in a fairly protected segment of the labor force.²⁵ Thus, it may be that dropout (as a protest against school-enforced traits of behavior that are in conflict with adolescents' own self-images) will be used less often by working-class than by lower-class adolescents. And even when dropout does occur, its consequences for working-class students would be less serious than for lower-class students who lack the adult job networks to see them through the transition to adult work experience.

25. Osterman, Structure of the Youth Labor Market.

As another explanation of delinquency, some sociologists see schooling as an insulator of adolescents from the adult world. In this view, schools are a major part of a trend in industrial societies towards prolonged adolescence. Proponents of this view point out that the function of schooling in delaying maturity runs counter to other trends in the culture (for example, trends toward earlier sexual relations and teenage commodity consumption.)²⁶ Glaser considers this consequence of schooling as having negative side effects, with juvenile delinquency resulting from the fact that adolescents are cut off by schooling from adult contacts, especially in the adult work world.²⁷ Those who see schools as insulators favor cooperative education and career education programs, and call for greater efforts to place students in large-scale work organizations and to develop incentives for employers to include students in their organizations. It is argued that involvement with the adult world would cut down on delinquency by giving adolescents realistic ideas about work and by encouraging conformity through development of relationships with adults.

Emphasis on efforts to reduce the insulating role of schooling can lead to program suggestions. For example, many adolescents work part-time and part-year in secondary labor market jobs that provide little occupational advance-

26. James S. Coleman, "The School to Work Transition," The Teenage Unemployment Problem: What Are the Options? (Washington, D.C.: Government Printing Office, 1976).

27. Daniel Glaser, "Economic and Sociocultural Variables Affecting Rates of Youth Unemployment, Delinquency and Crime," Prepared for the Institute of Industrial Relations, (Los Angeles: UCLA, January 1978).

ment. Yet other findings suggest that a crucial link in the job experience chain is provided by what Osterman terms "bridge employment." The part-school, part-work possibilities here come before the stage of "bridge employment." Nevertheless part-time "secondary" work experience, among lower-class adolescents, together with fortuitous adult contacts in family networks and in school, may decrease delinquency and support commitments to conventional behavior.

In summary, we see family structure, family and school socialization, educational achievement, and sustained adult contacts as important "third factors" setting the stage for the work and crime experiences of "high risk" youth. We suppose that these socializing factors can dampen delinquent behavior, and, in addition, exert a cumulative negative impact on subsequent adult crime.

3.2.3 Age: "Maturing Out" of Crime

Teenagers commit more than half of all property crime in the United States, even though they constitute only slightly over a third of the population.²⁸ The modal age for larceny arrests is 15, burglary 16 and robbery 19.²⁹ In contrast, labor market participation peaks much later. For male blacks in central cities, labor force participation increases dramatically around age 19. Rates of unemployment

28. See the U.S. Federal Bureau of Investigation's Uniform Crime Reports (Washington, D.C.: 1974).

29. See David F. Greenberg, "Delinquency and the Age Structure of Society," Contemporary Crises (April 1977):189-223; also, Nettler, Explaining Crime.

drop sharply for 20-year-olds.³⁰ It is generally recognized that many youth who become involved in crime in their adolescence gradually "mature out" of criminal activity into employment as they age. In some of the following literature, it has been hypothesized, in fact, that age itself is a significant factor in the movement from crime to employment, as opposed to age being a summary variable, reflecting other things.

The simplest explanations of the "maturing out" process view it as a function of physical aging. In his review of maturation and recidivism findings, Thorsten Sellin refers to perhaps the earliest theory of "maturing out" of crime.³¹ In 1833, Quetelet argued that the penchant for crime peaked when physical development neared completion, around the age of 25, giving way to moral and intellectual growth. Crime ended with the beginning of the "enfeeblement of physical vitality and the passions," but this was also accompanied by a shift in concerns and values that also acted to avert delinquency. Sellin also cites the Gluecks' theory holding that age is the only factor that emerges in the "reformatory process" of diminishing delinquency over time. No one cited by Sellin offers a fuller explanation of maturation than that of aging in itself.

30. See U.S., Department of Labor, Bureau of Labor Statistics, Employment and Earnings Vol. 27, No. 4, (Washington, D.C.: Government Printing Office, April 1980), p.14.

31. Thorsten Sellin, "Maturing Out of Crime: Recidivism and Maturation," National Probation and Parole Association Journal IV, 3(1958):241-250.

Other commentators, however, see the process as more social than physical. David Matza, for example, sees delinquents as existing in a limbo between convention and crime, flirting with each, evading decision.³² "Maturing out" of crime is seen as a result of reductions in anxiety about masculinity and group membership. Matured "aspirants to manhood" are said to view delinquency as "kid stuff" and membership anxiety is said to be reduced as alternative affiliations, such as work and marriage, replace the adolescent peer group.

Briar and Piliavin see delinquent acts as inspired by short-term, situationally-induced desires for goods or reputation, rather than long-term role aspirations (subculture) or frustrations (blocked opportunities).³³ Resistance to delinquent acts is seen as a function of a delinquent's relative "commitments to conformity." The reduction in criminal activities among late adolescents and young adults is thought a result of work and marriage, both of which increase "commitments to conformity." Employment has the added advantage of taking young men off the street and providing them with income.

William West views "maturing out" as a process of role transformation.³⁴ West finds that some young criminals de-

32. David Matza, Delinquency and Drift (New York: Wiley, 1964).

33. Scott Briar and Irving Piliavin, "Delinquency, Situational Inducements and Commitments to Conformity," Social Relations 13 (Summer 1965):35-45.

34. William West, "Serious Thieves: Lower-Class Adolescent Males in Short-Term Occupations," (Ph.D. dissertation, Northwestern University, 1974).

cided to go straight out of a simple desire to "settle down," having had enough of strange hours, violent escapades and nervous tension. The entry into adulthood is marked by increasing fear of the greater consequences of crime associated with adult status. Marriage and family life create roles that are incompatible with a career in crime. The criminal lifestyle no longer seems "cool." Criminal sanctions increase with age and honest work begins to pay better than crime as employment opportunities increase. Marriage and employment appear as substitute roles for the aging delinquent: they are agents of transformation.

It is also possible to see "maturing out" as the product of economic and other structural factors. Glaser, for example, points to the problem created by a prolonged period of adolescence and a highly pressured, consumer-oriented youth culture.³⁵ Others point to the impact of a juvenile justice system in which punishments for juvenile and adult crimes are not comparable. Still others emphasize age-graded structures of opportunity for employment.

3.2.4 A Model of "Maturing Out" of Crime

Somewhat more speculatively, one conceptual model for relating criminal involvements and legitimate work to age is afforded by considering a hypothetical cohort of "high risk" youth over a five-year period starting when the cohort is aged 16. The process can be conceived of as a series of branchings reflecting choices between legal and illegal com-

35. Glaser, "Variables Affecting Youth Unemployment."

mitments. Over time, paths along various branches might be characterized as careers or career segments pertaining to an individual or a group of individuals who share in the same pattern of legitimate and illegitimate involvements.

Among the career segments that would be of interest to the study of employment and crime are those manifesting changes in the mixture of legal and illegal work. At the beginning of adulthood, some or even much criminality and very little work would be anticipated, because only limited employment is available to adolescents.

Aggregate data on crime and work by age suggest an important point relating to a career-segment model. At the individual level, criminal experience (including juvenile delinquency) would precede work experience for most people. Thus, decisions to enter the labor force might not solely result from macroeconomic factors such as levels of unemployment in an area. Rather, previous criminal experiences during adolescence may also have work-averting effects. Crime, especially the returns from petty street crime, might condition expectations concerning the desirability of legitimate employment or minimum earnings. Furthermore, early involvement with the criminal justice system may have negative impact on future employment. Indirect evidence on this is supplied by Rand's study of California prison inmates. Men with histories of early juvenile offenses were more

likely than those entering crime at later ages to define themselves as serious criminals and to cite "high living" as their reason for committing crime.³⁶

We assume that the age of transition from predominantly criminal to work involvements varies somewhat among individuals.³⁷ Most delinquents appear to leave crime at the onset of young adulthood and assume conventional roles, although the absence of longitudinal data concerning employment and crime experience makes such assumptions difficult to prove. Others combine work and crime and then make the transition to conventionality in their mid-twenties. An even smaller number first enter crime in early adulthood. Finally, some young offenders persist in crime past their mid-twenties, and begin to specialize in one or another criminal pursuit. An informal and tentative account of these different hypothetical career segments is offered below.

The first group, "reformed delinquents," is the least accessible to conventional research, since it tends to fall between most existing delinquency and adult crime research. Researchers on juvenile delinquency often do not follow subjects past the late teen years, while adult crime re-

36. Mark A. Peterson, Harriet Braiker Stambus and Suzanne M. Polick, Doing Crime: A Survey of California Prison Inmates (Santa Monica, Calif.: The Rand Corporation, 1978).

37. Peterson et al. found that 25 percent of prison inmates did not report juvenile criminality. These respondents were more likely to combine work and crime, were less likely to define themselves as career criminals, and were more likely to cite economic hardship as their reason for engaging in crime.

searchers cannot say anything about delinquents who do not engage in adult crime. Delinquency theory suggests, however, that family, work and educational factors interplay in facilitating many delinquents' decisions to pursue conventional goals. A lengthy quote from Werthman's study of delinquents' "moral careers" illustrates the point:

By viewing the "delinquent career" as a more or less stable sequence of acts taken in risky social situations in order to claim an identity or define a self, often followed by changes in the rules and judgments that make up these situations, and followed again by new choices of the self in response to these changes, it is possible to see how a gang boy could arrive at the age of 18 or 21 to find that his situation makes it costly, painful, or difficult for him to take the conventional job that he always expected to take, particularly if the boy has come to view the conventional world as a place full of the kinds of people who have labeled him a "delinquent"...

Once a gang boy gets beyond the age of 18, moreover, his situation changes rather dramatically. Whether he likes it or not, he now has a choice to make about what identity system to enter. He could get married, get a job, and assume the status of a full-fledged "adult;" he could decide to postpone this decision in legitimate ways such as joining the Army and going to school at night; or he could decide to remain for a few more years as an elder statesman on the streets, in which case he will continue to make use of the identity materials available to youth.

The decision he makes at this point in his career will depend in part on his situation. If he managed to graduate from high school, he may well decide to go on to college; but if he was expelled from high school, he may feel either bitter or reluctant about going back to night school to get the high school degree. He knows that he has been administratively reborn in the eyes of the law, and thus the risks he takes by staying in the streets increase considerably since he now may be processed by the courts as an adult. On the other

hand, if his status in the gang world is still high, he may not want to trade it right away for a low-paying, blue-collar job; and he knows he will be rejected by the Army if he has a jail record of any kind.

In short, it is at this point in his career that the "opportunities" available to him will affect his behavior, his attitudes, and the decisions he makes about his life. If there are no legitimate options open to him, options that at best would not make him suffer a sudden decrease in status and at worst would allow him not to face his ultimately dismal status-fate as an adult, then he may well decide to stay on the streets, despite the greater consequences involved in taking risks. He may adopt a "hustle," and he may also adopt a full-blown ideology along with it. Since he now views the conventional world as a place he is expected to enter, he tends to develop a "position" on it. Jobs become "slaves;" going to school becomes "serving time;" and in some cases the assumptions about marriage and getting a conventional job are replaced by fantasies about the quick and big "score." These are no longer the "delinquent boys" described by Cohen. They are the self-styled aristocrats described by Finestone and Sykes and Matza. They have an answer to everything, and they always "know the score."

After a few years of this existence, these boys are really at the end of their "delinquent" careers. Some get jobs, some go to jail, some get killed, and some simply fade into an older underground of pool rooms and petty thefts. Most cannot avoid ending up with conventional jobs, however, largely because the "illegitimate opportunities" available simply are not that good.³⁸

38. Carl Werthman, "The Function of Social Definitions in the Development of Delinquent Careers" in Juvenile Delinquency and Youth Crime, p.170.

Using Werthman's characterization and the idea of a career-segment model, a further task is to determine what predicts the "delayed transition" to conventional life that most young street criminals finally make by the mid-twenties. Who drops out and who stays criminally involved?

Many factors appear to influence the timing of the transition from street crime into conventional roles. They can be discussed under two broad headings: opportunities and aspirations associated with criminal roles themselves and the impact of legitimate labor market opportunities and other sociocultural factors.

With regard to criminal aspirations and opportunities, it is sometimes useful but practically difficult to distinguish among those pertaining to addicts, serious property offenders and occasional property offenders. (Violent offenders and other specialized types whose crimes are considered more as expressive "ends" in themselves than as economic objectives are not encompassed by this discussion.) Addicts often commit crimes in the service of their addiction, although the adaptability of addicts and the extent of their ability to sustain legitimate employment is often underrated.³⁹ Among non-addicts, serious property criminals are distinguished from occasional offenders in terms of a sustained aspiration to acquire and excel in criminal

39. For a description of the motivations and activities of drug users, see Edward Preble and John J. Casey Jr. "Taking Care of Business--The Heroin User's Life on the Street" The International Journal of the Addictions 4 (March 1969): 1-24.

skills. Serious property offenders are more likely to have engaged in delinquency at an early age, to have been incarcerated as adolescents, and to cite "high living" as their most important motive for crime. But seriousness is mainly defined by the manifestation of "professional" attitudes toward crime, (i.e., they report monetary success and believe in developing criminal skills).⁴⁰

Most serious property criminals, like occasional criminals, do not specialize in their criminal activities. The Rand Institute's findings and those from the President's Task Force Report on Science and Technology suggest few offenders specialize in any one property crime: Peterson estimates that only 10 percent of the prison population can be considered to be criminal specialists.⁴¹

The definition of serious property criminals in terms of their aspirations towards "professional" criminal roles also should not lead to the conclusion that they necessarily derive substantial income from their activities. Although data are obviously not broken down by "professionalism," the

40. We confine our discussion to property crimes. There is specialization in the sense that property criminals are more likely to be rearrested for property rather than personal offenses. On the other hand, there are few personal offense specialists.

41. The President's Commission on Law Enforcement and Administration of Justice, Task Force Report: Science and Technology (Washington, D.C.: Government Printing Office, 1967); Peterson et al., Doing Crime.

Uniform Crime Reports⁴² estimate the average value of a robbery at \$32. Glaser⁴³ estimates the average value of a burglary at about \$180. This is far less than the value estimated for lucrative offenses such as criminal crafts (safe-cracking, etc.) or illicit enterprises (numbers), but these opportunities are limited to a very small segment of even serious property criminals.

Thus, although serious property criminals are defined as those who have high criminal aspirations--at the outset of adulthood, they expect large gains from crime--the actual opportunities afforded in crime are such as to significantly restrict the degree of success actually experienced. As serious property offenders become older, crime opportunities dry up even more and the costs of continued crime also increase.

A brief sketch of the nature of criminal opportunities may clarify this. The literature (Letkemann, Klockars, Ianni) suggests that serious property criminals who operate on the street rank at the very bottom of the criminal hierarchy.⁴⁴ Many well-paying crimes--those linked with white-collar roles--are not open to the lower class.⁴⁵ Lucrative

42. FBI, Uniform Crime Reports.

43. Daniel Glaser, Crime in Our Changing Society (New York: Holt, Rinehart and Winston, 1978) p.91.

44. Letkemann, Crime as Work; Carl B. Klockars, The Professional Fence (New York: The Free Press, 1974); Francis Ianni, Black Mafia: Ethnic Succession in Organized Crime (New York: Pocket Books, 1974).

45. This is not only due to the absence of office skills, but also includes the inability to put on a "front," a self acceptable to the victim.

illicit enterprises--drug wholesaling and distributing, numbers, etc.--are also out of the reach of older serious property criminals, since recruitment channels are restricted and most recruitment takes place during adolescence. Recruitment into rewarding criminal enterprises hinges both on manifesting talent to those already involved and on personal contacts and kinship ties. The typical young serious property criminal is therefore likely to be as "occupationally disadvantaged" with respect to opportunities in illicit enterprises as he is with respect to legitimate enterprises.

Another opportunity theoretically open to the young serious property criminal is in a higher criminal craft. These crafts are guild-like. Like legitimate craft apprenticeships, criminal apprenticeships are made available to those selected (usually in prison) on the basis of personal qualities--seriousness, reliability, modesty. As in trade and craft unions, work shelters are created by regulating the number of openings for apprentices.⁴⁶

Thus, serious property crime does not offer many entry-level positions leading to lucrative criminal activities. The serious property criminal's remaining avenue of upward mobility lies in fencing. West relates that some of his subjects tried to set up their own fencing operations, but they were only moderately successful. Lucrative fencing requires an initial investment of money to buy goods and to

46. Ascriptive characteristics might also be important in selection. Letkemann suggests that most criminal craftsmen come from white, working-class backgrounds.

finance a legitimate "front." In addition, a mature appearance is helpful in presenting a legitimate "front." So here again, a youthful serious property criminal finds restricted opportunities.

One additional factor helps to bring about a realignment in favor of conventional values among most serious property criminals: the deterrent effects of the criminal justice system. The omnipresence of street crime masks one of its realities: sooner or later almost everyone gets caught. There are, in this sense, no successful street criminals.^{47,48,49} Because of their relatively low position in criminal labor markets, serious property criminals obtain little protection from imprisonment and conviction. Over time, continuing criminal involvement tends to raise the cost in terms of punishment of each additional crime, thus making conventional prospects more attractive.⁵⁰

While the structuring of criminal opportunities inevitably weeds out many aspiring serious property offenders, weeding out is also bolstered by the structuring of legitimate labor market opportunities and by the influence of an array of non-economic sociocultural factors (including those

47. Various students of criminality make the same point. See Glaser, Crime in Society, Chapter 5.

48. Peterson et al., Doing Crime.

49. With reference to criminal craftsmen, see Letkeman, Crime as Work.

50. West states lower-class people seem to be more susceptible to this effect. Among California prison inmates, blacks have lower crime inactivity rates, and get arrested more often than whites (Petersilia et al., Criminal Careers).

discussed elsewhere in this chapter). In the discussion in Chapter Two, some labor market factors that partly account for the role of legitimate opportunities in averting crime were described. While the position of "high risk" youth in the labor market is defined as precarious, it is nevertheless expected that some persons in the secondary labor force do accumulate work skills, labor market information or increased attractiveness for employers. Moreover, the mere fact of age may give young adults an advantage over adolescent job seekers.

Thus, contemplating the "maturing out" process both in terms of the role of criminal opportunities and the labor market processes, the literature suggests that the ranks of serious property criminals and occasional offenders are thinned by the combined impacts of:

- labor market experiences, even in the secondary labor market, which provide an accumulation of skills ensuring easier job-getting;
- family formation, which provides additional support for conventional roles and the rewards of a sustained family life that are more compatible with legitimate work involvements;
- criminal experiences, which provide little financial gain, and criminal justice practices, which increase the marginal costs of crime.

An important issue linking policy and research interests relates to the kinds of structural and motivational factors involved in different career segments with different mixes of jobs and crime. There may be structural differences between the labor market opportunities of people who

mix crime and employment, and those of conventional workers. The opportunities of criminals who do not work differ from both groups. In addition, some current criminal justice practices may sometimes conflict with employment policy goals by blocking legitimate opportunities in the name of punishment or deterrence.

We need to know when--and for whom--employment is most effective as an intervention strategy. Increased job opportunities for youth might have a lagged rather than immediate effect on criminality as knowledge of real alternatives is expanded. It is possible that--with increased knowledge of factors that contribute to "maturing out" of crime--processes of disenchantment with crime and conventional skill accumulation can be accelerated.

3.3 Cloward and Ohlin: Structure of Opportunity

In 1960, Richard Cloward and Lloyd Ohlin published Delinquency and Opportunity, a work that inspired a considerable range of anti-crime efforts during the war on poverty in the 1960's.⁵¹ In turn, Cloward and Ohlin were influenced in important ways by an earlier, seminal paper by Robert Merton entitled "Social Structure and Anomie." In introducing Cloward and Ohlin's ideas, it is useful for a moment to return to Merton's formulation.⁵²

Merton's theory of anomie begins with the observation that the emphasis of American culture on the acquisition of material goods as symbols of success is pervasive--affecting people at all rungs of the socioeconomic ladder. When combined with other elements of American culture, especially its emphasis on democracy and the "rags to riches" myths, the success goal structures the expectations of the people and exerts substantial stress on those lacking material symbols. Furthermore, while the culture defines certain means

51. Richard A. Cloward and Lloyd Ohlin, Delinquency and Opportunity: A Theory of Delinquent Gangs (New York: The Free Press, 1960).

52. Robert K. Merton, Social Theory and Social Structure, Rev. ed. (New York: The Free Press, 1968).

as legitimate for achieving success, it nevertheless accords disproportionate importance to the goal itself. Moreover, it is clear that legitimate means are less available and, even when used, are less effective for socially and economically depressed segments of the population.

Put slightly differently, legitimate opportunities are themselves structured in ways that make them less accessible and less effective for such groups. Under these circumstances, the disproportionate emphasis on the success goal in the face of ineffective means produces considerable pressure for using alternative means to the goal. Thus, for example, when legitimate employment proves to be an ineffective road to material success for specific segments of society, the groups so affected are likely to look for and create illegitimate means to attain that goal. In this context, high crime rates among disadvantaged groups of society are viewed as resulting both from lack of legitimate employment and educational opportunities (structurally limited access to means) and from the continued cultural pressures to achieve material success to which the disadvantaged, like all members of society, nevertheless remain exposed.

Merton's theory is thus congruent with more recently developed notions of segmented labor markets, adding systematic reference to the cultural context of an over-emphasized, universal goal of material success. The theory also suggests some of the social and social-psychological processes that describe how groups adapt their behavior, especially income-generating behavior, to the sociocultural conditions of anomie.

In developing their own position, Cloward and Ohlin integrated Merton's theory of social structure and anomie with other sociological theory and research, especially that of Edwin Sutherland, to explore the ways in which collective responses to anomie are themselves shaped by social and cultural forces operating at the neighborhood level. These forces structure the kinds of illegitimate opportunities that are prevalent in a neighborhood and the extent to which these opportunities offer residents reasonable chances for achieving material success and establishing fairly stable and protected illegitimate careers. Thus, Cloward and Ohlin suggest that the availability and effectiveness of illegitimate opportunities, as well as legitimate opportunities, are a function of the local social structure. The key structural variables operating on the neighborhood level, according to Cloward and Ohlin, are the extent to which legitimate and illegitimate networks are integrated at the neighborhood level. Effective integration of both opportunity and learning structures supports the emergence of rewarding and stable criminal careers. Where such forms of social organization are not present, illegal activity is more likely to take the form of violent group conflicts and withdrawal into the worlds of drug and alcohol abuse.

The notion of different illegitimate opportunity patterns has also been utilized to account for different crime patterns among adults. For example, Ianni emphasizes cultural differences between groups in the readiness with which

they form "networks" for illegitimate enterprises.⁵³ He describes Italians as the prototype of network formation, based on kinship, and believes that Cuban groups have successfully followed their example; Puerto Ricans and blacks, on the other hand, have been much less successful at emulating Italian patterns, and have been more likely to form criminal networks based on street-gang and prison associations.

In their discussion of opportunity structures, Cloward and Ohlin saw education as the primary avenue to legitimate career opportunities. Educational opportunities were conceived of as the objective ability to afford education, taking into account the opportunity costs of education to low-income families (e.g., the foregone wages of children who remain in school).

In addressing the role of education, structure of opportunity theory resembles economic, human capital approaches. Unlike its conception in economic theory, however, a group's lack of human capital is seen as a socially structured condition, rather than a result of an individual's unwise time investments. Cloward and Ohlin do not take into account differences in academic ability that subsequently were made much of in the status attainment literature. Structure of opportunity theory easily accommodates itself to the view that wealth and other sources of privilege are transmitted across generations and account for persisting inequality.

53. Ianni, Black Mafia.

The discussion of labor market segments in Chapter Two can help flesh out notions of legitimate opportunity structures found in the work of Cloward and Ohlin, although their emphasis on local, neighborhood social structures has important reverse implications for labor market theory as well. In addition, their notion of illegitimate opportunity structures adds a new perspective to the study of crime. Cloward and Ohlin were able to show that juvenile delinquency is not a homogeneous phenomenon. Membership in criminal gangs (as opposed to other types of gangs) functions as a type of employment. Some members of criminal gangs act like apprentices to trades within quasi-organized criminal enterprises. These roles imitate some features of legitimate employment, manifesting recruitment channels, career ladders, and competition for leadership positions. The concept of structured : legal opportunities suggests that in some settings certain crime careers may be readily available, and may function as neighborhood alternative employment options, requiring discipline and "instrumental" behavior on a par with legitimate work roles. Even given the "apparent disregard delinquents sometimes exhibit for stolen objects," Cloward and Ohlin do not view delinquent theft as a purely expressive activity, but rather as a means of learning criminal skills, an instrumental activity even though the goods stolen during the activity may be unimportant.⁵⁴ Stealing beyond economic need constitutes "anticipatory socialization" into crime.

54. Cloward and Ohlin, Delinquency and Opportunity, p.169.

It is evident that structure of opportunity theory diverges from the strictly economic mechanisms of the segmented labor market approach, even though emphasis on the causal significance of blocked legitimate opportunity is the same. The theory, in fact, points out a variety of possible responses to blocked opportunity other than property crime--fighting gangs turn to violence, "retreatist" gangs to drugs--as adaptations to the limitations on access to success through legitimate means. These limitations on success are themselves the products of structural differences among neighborhoods.

For Cloward and Ohlin, delinquent subcultures--criminal, violent and retreatist gangs--represent specialized modes of adaptation to blocked opportunities. As the authors suggest: "Hard work, perseverance and honesty may lose their force as norms, when there are more persons capable of meeting those criteria than there are opportunities."⁵⁵ They deny that delinquent subcultures are primarily the product of either lower class culture, the stress of adolescence or the need for masculine identification. Even though Cloward and Ohlin emphasize the "subcultural" nature of delinquency, subcultures operate for them primarily as resources to facilitate adaptation to socioeconomic conditions, a point of view clearly echoed by some of the subcultural theorists reviewed in the following section.

55. Ibid., p.20.

3.4 Subcultures, Employment and Crime

A 1974 ethnographic study of a black ghetto community in San Francisco exemplifies the way in which ghetto subculture can be conceived of as mediating employment and crime relationships:

The ability to hold a full-time job (eight hours a day, five days a week, fifty weeks a year) is completely out of the range of experience of most of those who demanded work. Little or nothing in the subculture of Hunter's Point fosters a point of view which values hard work for a productive lifetime to be followed by retirement. A combination of reality orientation and lack of achievement values does not permit the development of attitudes toward work common among middle-class Americans...To be able to "make it" while avoiding the "work game" is a strong, pervasive, and consistent goal in Hunter's Point.⁵⁶

Hippler contends that there are distinctive subcultural attitudes towards work and hustling among the materially deprived. He speaks of a persistent "welfare culture", present-time orientation and respect for the "mean" or "bad," aggressive male.⁵⁷ Given a subculture such as that described by Hippler, it is easy to see how persistent unemployment and crime could be viewed as joint manifestations of subcultural attitudes. Such a view in many ways exemplifies the much debated "culture of poverty" concept as first formulated by Oscar Lewis.⁵⁸

56. Arthur Hippler, Hunter's Point (New York: Basic Books, 1974), pp.159-160.

57. *Ibid.*, p.160.

58. Oscar Lewis, Five Families: Mexican Case Studies in the Culture of Poverty (New York: Basic Books, 1959); The Children of Sanchez (New York: Random House, 1961); La Vida: A Puerto Rican Family in the Culture of Poverty (New York: Random House, 1966).

3.4.1 The "Culture of Poverty" Thesis

Much of the acrimony in the "culture of poverty" debate appears to revolve around the supposed support afforded by that position to conservative social and political philosophies. A theoretical disagreement over the definition of "culture" has complicated the debate. The central problem of definition has been the question of the relation of behavior, values and structure. Oscar Lewis' definition implies that the "culture of poverty" is a self-perpetuating system of values. Later researchers have reacted against this definition by stressing the adaptive nature of poverty traits and insisting that the social structure which necessitates these adaptations be considered in the analysis of lower-class life. Some of the adaptationists have proposed that there exists a gulf between values and behavior in the lower-class: widespread patterns of behavior exist which nonetheless are not socially condoned within lower class neighborhoods and do not constitute cultural "designs for living" that hold the allegiance of the poor. Evidence of these phenomena can even be found in Lewis's own extensive ethnography.

Even among later writings which stress the adaptive nature of poverty traits, however, there remains some disagreement over the relation of norms to behavior. Individual writers and ethnographers bring different perspectives to this problem, some stressing "value stretch," some the variation in roles and lifestyles in the lower-class neighborhood, some the differential psychological responses of individuals to the situation of poverty.

In the academic literature at the present time, there are few proponents of the view that cultural patterns associated with poverty in fact would persist over the long run without regard to changes in objective economic opportunities and other conditions. On the other hand, it does remain difficult to establish the nature of current agreement concerning whether certain shared perceptions, attitudes, values and norms of poverty groups make it difficult for them to take advantage of limited opportunities, even if it is also acknowledged that opportunities have been made available only in limited measure.

Lewis's concept was that there is a stable and persistent way of life, passed down from generation to generation within poverty-level families (wherever they are encountered). The "culture of poverty" sustains poverty through wasteful consumption habits, persistent unemployment and patterns of self-defeat. By the age of six, a poor child has fully assimilated a set of culturally patterned values and beliefs. Lewis himself admits that in many ways this culture of poverty also entails a "poverty of culture," that it is not--as culture is generally defined to be--a positive, constructive design for living.⁵⁹ He does, however, contend that various positive aspects do qualify the poverty lifestyle as a distinct cultural entity with a structure, rationale and system of defenses that enable the poor to carry on. Given such a definition, employment and crime involvements among the poor emerge as symptoms or "expressions" of culture.

59. Lewis, La Vida, p. lii.

Although he is the most often criticized, Lewis is not the only proponent of a distinctive, determining poverty culture. The political scientist Edward Banfield attributes a pervasive present-time orientation to the poor.⁶⁰ This trait can be used to explain a variety of work-related problems--absenteeism, tardiness--as well as impulse-related behavior, including crime. Ghetto residents are said to have habits incompatible with legitimate, steady employment. They are found too accustomed to living off women on welfare and hustling to accept the dull routine of work. Walter Miller, in an often quoted paper, attributes a host of "focal concerns" to lower-class youth--trouble, toughness, smartness (a kind of wiliness), excitement, fate, autonomy--that have also been interpreted as supporting illegal or delinquent behavior.⁶¹ The implications of such theories of poverty culture are that unemployment and crime are culturally engrained activities and that therefore attempts to improve the economic conditions of the poor must also address subcultural obstacles to enhanced economic opportunities.

3.4.2 The Adaptive Subcultural Model

Those who argue against the culture of poverty thesis generally express the view that those traits that seem to make poverty an unchanging cultural inheritance might better

60. Edward Banfield, The Unheavenly City (Boston, Little, Brown and Co., 1970).

61. Walter B. Miller, "Lower Class Culture as a Generating Milieu of Gang Delinquency," Journal of Social Issues 14 (1958): 5-19.

be viewed as continually renewed adaptations to the economic, social and political conditions experienced by poor people. This view sees the poor as exposed to the dominant culture and, in many ways, accepting its elements. However, in adapting to the oppressive conditions of poverty, poor people develop values, norms and behavior patterns that deviate from those of the dominant culture. The important consequence of the adaptive subculture model is that it links cultural elements to collective experience. In this interaction of culture and experience, the former can be expected to respond--possibly with some delay and unevenness--if the collective experience has changed.

Many of those who argue against a rigid and determining culture of poverty--either by contending that lower-class subculture is an adaptation to economic conditions or that mainstream or middle-class values are held simultaneously with alternative subculture values--do not deny that lower-class behavior manifests attributes very much like the behavior described by Miller. The argument centers rather around the extent to which such attributes are the causes or effects of economic conditions; in other words, the extent to which culture of poverty theory is a form of "blaming the victim."⁶²

Also at issue is the very meaning of "culture" and "subculture" in such a context. Charles Valentine speaks of an intellectual fad of attributing a culture or subculture to almost any social category--socioeconomic, ethnic, regional

62. See William Ryan, Blaming the Victim (New York: Vintage Books, 1971).

age, occupational, institutional and political.⁶³ Thus, there can be Irish, Southern, youth, professional, prison and left-wing subcultures. Many substrata overlap, each is intrinsically part of the whole, a piece of the social order. Valentine argues, specifically against Lewis, that a lower-class "sub-society" may not constitute a distinct subculture with a shared way of life "because it does not embody any design for living to which people give sufficient allegiance or emotional investment to pass it on to their children."⁶⁴ Many of the characteristics cited by Lewis (persistent unemployment, crowded living conditions, low-status occupations) are conditions of poverty, rather than a "design for living." Valentine also suggests that "class-bound behavior patterns" exist without distinctive values and in spite of parental efforts.

Valentine argues that "whatever is distinctive about lower-class life may be no more than a situational adaptation to the structural position of the bottom stratum in a highly stratified society."⁶⁵ He suggests that certain sub-cultural phenomena are better understood as symptoms of poverty rather than inculcated patterns of behavior. He calls for extensive ethnographic research to explore the conflicting hypotheses of a "self-perpetuating subsociety and defective unhealthy subculture" versus an "externally oppres-

63. Charles Valentine, Culture and Poverty (Chicago: University of Chicago Press, 1968).

64. *Ibid.*, p.113.

65. *Ibid.*

sed subsociety with an imposed, exploited subculture."⁶⁶ He also suggests a third hypothesis--"a heterogeneous society with variable, adaptive subcultures"--as a means of resolving the conflict, contending that major propositions of both versions might be simultaneously valid.

Like Valentine, Lynn Curtis contends that subcultural traits develop as adaptations to both economic conditions and "institutional racism."⁶⁷ Yet Curtis seems to shift the meaning of "adaptation" away from an economic perspective, in which illegitimate activities arise in order to satisfy economic needs, toward a frustration-aggression conception, in which homicide, assault, rape and violence are seen as aggressive responses to the frustrations of blocked opportunity. Like Curtis, Charles Silberman is also primarily concerned with black violent crime.⁶⁸ Both devote attention to specific elements of black culture--such as "playing the dozens" (a contest of wits staged among young males). Silberman argues against the "culture of poverty" position, disputing the proposition that the lower class exists because of its values, rather than its income, echoing the leading spokesmen of culture as adaptation.

Silberman, however, carries the argument a step further. In a sense, he pits poverty culture against ethnic culture, offering a positive version of black culture--folklore, song, ritual--a history of cultural traditions devel-

66. Ibid., p.116.

67. Lynn Curtis, Violence, Race and Culture (Lexington, Mass.: D.C. Heath and Co., 1975).

68. Charles Silberman, Criminal Violence, Criminal Justice (New York: Random House, 1978).

oped as a means of channeling potential black rage. Silberman presents black culture--e.g., blues, the "dozens," the trickster role of Brer Rabbit--as a means of sublimating violence.

Thus, whereas for Curtis and Rainwater the linguistic combat of the "dozens" or "joning" is seen as training for street corner life--an education in verbal one-upmanship, an integral part of a violent culture--for Silberman it is a way of channeling violence into acceptable cultural expression, controlling the pent-up rage of the heritage of slavery. Unfortunately, according to Silberman, these cultural channels are breaking down:

The process no longer works; black adolescents and young men have begun to act out the violence and aggression that, in the past, has been contained and sublimated into fantasy and myth. It is this shift from the mythic to the real--from toasting, signifying and playing the dozens to committing robbery, murder, rape and assault--that underlies the explosive increase in criminal violence on the part of black offenders.⁶⁹

Both Curtis and Silberman refer to the impacts of some recent political activist groups as influences on and elements of a less politicized general black culture. In Silberman's view, what Curtis would call contra-cultural values, antagonistic to middle-class norms, are taking hold.

This antagonistic relationship between middle-class and distinctively lower-class values was called into question in an early piece by Hyman Rodman challenging emerging theories of poverty subculture.⁷⁰ Rodman's theory of "value stretch"

69. Ibid., p.152.

70. Hyman Rodman, "The Lower Class Value Stretch," Social Forces 42 (December 1963): 205-15.

suggests that lower-class individuals share basically middle-class values and norms, but are occasionally forced to stretch those values in order to accommodate the facts of lower-class existence. Thus, an alternative set of lower-class values emerges as a means of dealing with the facts of persistent unemployment, poverty, and street violence. Although conflicting value systems are held simultaneously, middle-class norms dominate. Rodman's theory is basically another form of the adaptation argument: lower-class values emerge as an adaptation to recognized failure or inability to live up to shared middle-class norms.

Silberman agrees with Rodman, but argues that, even so, something more remains, that those committed to criminal lifestyles--confirmed hustlers, pimps and con men--choose different ends as well as different means. In Silberman's version, "Lower-class life involves an almost unbearable tension between the ideal and the reality--between the desired adherence to the norms of the larger society and the insistent demands of life on the streets."⁷¹

A somewhat different adaptation approach to poverty culture is represented by Eames and Goode's cross-cultural review of coping strategies of the urban poor.⁷² Although they object to Lewis' pejorative tone and use of the term "culture," Eames and Goode point to cross-cultural similarities among poverty groups in many nations, similarities in both occupational status and participation in illegitimate

71. Silberman, Criminal Violence, p.116.

72. Edwin Eames and Judith Goode, Urban Poverty in Cross-Cultural Perspective (New York: Free Press, 1973).

activities, as well as consumption, child-care and kinship patterns, characteristics not dissimilar to those portrayed by Lewis. They acknowledge that behavior that in a short-term view may be seen as "coping, rationalizing and maximizing" might seem dysfunctional from a long-term perspective. They insist, however, that such behavior is not unchangeable, but that new behavior is learned as status improves. Although Eames and Goode object to Lewis' attribution of a crippling ideology to the poor, they find his definition of a variety of common coping responses extremely perceptive. A similarity of behavior is again confirmed.

There seems to be some confusion over whether a body of consistent, similar traits among poverty groups does or does not constitute a "subculture." Although some of the adaptation group argue against use of the term, there nevertheless seems to be consensus on the existence of common behavioral attributes to which the term is applied. Ethnographic research--participant observation studies in ghetto neighborhoods--helps flesh out the nature of these traits.

3.3.3 Ethnographic Studies

A. Versions of Adaptation

With the major exception of Oscar Lewis and the minor one of Arthur Hippler's work, previously discussed, most ethnographic studies of the urban poor share the adaptation approach to poverty culture. They attempt, however, to explain the nature of such adaptation in diverse ways.

Even Oscar Lewis, who started much of the culture of poverty debate by making a brief, tentative excursion into theory, was primarily a descriptive ethnographer and not a theoretician. It can be argued that his extensive ethnographic accounts support the adaptation view even though he postulated the existence of a self-perpetuating culture of poverty (references in note 58).

In a study of residents of a black lower-class housing project, Lee Rainwater contends that youth in the ghetto are continually confronted with a world fraught with danger to which they adapt by developing defenses to danger and learning to exploit and manipulate peers. Similarly, negative work habits--irresponsibility, lack of ambition, absenteeism--develop as normal responses, realistic and rational in the ghetto environment. Disinheritance from society--blocked economic opportunity--creates the need to develop a valid identity based on alternative values. Rainwater points out that the slave had only his individual identity, his "dramatic self," to use as currency. He argues that value in the ghetto develops around the expressive or dramatic, a world of action seeking and/or "soul."

The dramatic self is, in one or another of its forms, the valid identity to be achieved within the expressive style of life. It is a self markedly at variance with the official socialized self legitimated by the dominant sections of American society. Only when the dramatic self is turned into an occupational role...as among musicians or athletes, does it earn credit with the middle class.⁷³

For Rainwater, work is an "instrumental" rather than an expressive activity. Rainwater concedes that valid identi-

73. Rainwater, Behind Ghetto Walls, p.380.

ties are from time to time sought in "instrumental role performance," but argues that the expressive mode is far more prevalent. Expressive lifestyles are often at odds with work values, insofar as they support both drug and alcohol abuse as well as various "expressive" forms of criminal behavior. Even though Rainwater presents subculture as an adaptation to socioeconomic conditions, his emphasis on the "expressive self" again raises the problem of the relation of behavior to values. Like Eames and Goode, he suggests that once values have been developed, they may delay adaptations to future changes in opportunity.

Elliot Liebow sees subcultural elements of street-corner life as a "phantom" or "shadow" system of values, deriving from, but less weighty than, prevailing middle-class norms.⁷⁴ Liebow's view is an extension of Rodman's "value stretch." He sees street-corner life as a special segment of lower-class life in general, a sanctuary for those who can no longer endure failure. It is not that Liebow rejects what Rainwater would term expressive behavior. He simply sees it as less substantive, less central. Comparable behavior patterns across generations are not entirely the product of cultural transmission, but are also in part parallel responses of father and son to the same social milieu.

Liebow explains away some traits called "subcultural" by others. What looks like "present time orientation" to the outside observer is, according to Liebow, as much future-oriented as middle-class behavior. The lower class, however, cannot defer gratification by investing for the fu-

74. Liebow, Tally's Corner.

ture. The street-corner man must expend all his resources simply to maintain himself from moment to moment. Similarly, what might look like a group of idle street corner men to the outside observer, might actually include employed night workers, construction workers hindered by bad weather, the laid-off and physically or emotionally disabled. Most have not entirely rejected the work ethic.

On the other hand, Liebow admits that "the don't-work and don't-want-to-work" minority is especially significant because "they represent the strongest and cleanest expression of those values and attitudes associated with making a living."⁷⁵ Liebow acknowledges the low priority of work, the prevalence of voluntary quits, absenteeism and lateness. Such behavior, however, can be seen as normal responses to the structure of labor market opportunities, or --as others would put it--the availability of nothing but secondary employment. Liebow also suggests that persistent employee theft in such a group is almost part of the employment structure, a form of supplementary income for low-paying, tedious work, recognized and informally tolerated by the employer. A central solution then for Liebow would be the opportunity for more and better employment. Subcultural attributes are not viewed as either unchanging or resistant to change. Both Liebow and Rainwater are equally convinced by the adaptation model, but for Rainwater the existence of a distinctive ghetto subculture seems a much stronger reality, less a "shadow" system of values.

75. Liebow, Tally's Corner, p.34.

Extending Liebow, who attempts to explain apparent street corner idleness, Betty Lou Valentine contends that every phase of ghetto existence is "work"--from spending long hours at the welfare center to hustling a few extra dollars to make ends meet.⁷⁶ She argues that the general need to combine work, welfare and hustling is communally recognized and condoned as a means of subsistence. Welfare fraud and the buying and selling of "hot" goods are not only a common, but a necessary means of survival. Living full-time within the ghetto community, the Valentines found themselves exposed to the same alienating institutional structure--schools, welfare, fire departments, police, housing agencies, insurance companies--as their neighbors. In spite of their middle-class skills and style, they were no more able to cope with such institutions, to make the system work, than other ghetto residents. The inadequacy of employment and structurally induced institutional alienation contribute to the need for a multi-faceted support system--for "hustling and other hard work." This emphasis on the need for multiple sources of income presents ethnographic support for Bennett Harrison's conception of urban labor markets. (See Chapter Two above.) Betty Lou Valentine argues repeatedly against subcultural stereotypes and presents an insistent version of the adaptation model.

B. Lifestyles

Writers on lifestyles within the ghetto have developed further the emphasis placed by Liebow and Betty Lou Valentine on variation within particular neighborhood settings.

76. Betty Lou Valentine, Hustling and Other Hard Work: Lifestyles in the Ghetto (New York: Free Press, 1978).

Hannerz, for example, distinguishes between groups of mainstreamers, street families, swingers and street-corner men within a single ghetto neighborhood, each with its own degree of commitment to middle-class norms.⁷⁷ His mainstreamers tend to be committed to legitimate employment, whereas street-corner men with no resources demonstrate more "ghetto-specific" behavior--e.g., public drinking, lack of a steady job and illegitimate means of income. He points out that these ghetto-specific behaviors are often denounced even within the ghetto community.

Hannerz acknowledges that individuals can shift from one lifestyle to another in the course of a lifetime, seeming to support a theory of adaptation. Yet the variety of possible lifestyles within the community creates some tension between mainstream and ghetto-specific values. Hannerz does suggest that there are some elements of subcultural transmission through role modeling, which might sustain a "culture of poverty." Although much prevalent behavior is condemned according to dominant values of the mainstream held within the lower class, the fact it is so often and so publicly performed suggests that it is condoned, at least in part, by those who demonstrate ghetto-specific behavior. "Morality," Hannerz suggests, "is partially a matter of statistics."⁷⁸ Hannerz, like Liebow, sees the resolution of conflicting cultural values in an extension of Rodman's value stretch--an explanation of ways in which conflicting

77. Ulf Hannerz, Soulside (New York: Columbia University Press, 1969).

78. *Ibid.*, p.188.

values can be held simultaneously. The major contribution of Hannerz's "soft culture concept," however, lies in the perception that the ghetto culture is not a uniform set of values but permits a range of lifestyle alternatives. Only ghetto-specific behavior accords with other definitions of poverty culture.

In recent work, Elijah Anderson develops a similar kind of lifestyle analysis, specifically of a street corner drinking group.⁷⁹ Even among a single stratum of Hannerz's typology--that of street-corner men, the most ghetto-specific role--sub-hierarchies exist, again deriving from mainstream values. Although "regulars," "wineheads," and "hoodlums" all drink on the corner, deference is paid to the regulars who value employment and take pride in having no criminal record. As in Hannerz's model, individuals can slip in and out of roles--a man who loses his job may become a "winehead" (wine is cheaper than whiskey) during his spell of unemployment.

Even those who participate in illegitimate activities--the "hoodlums"--accept the values implicit in street corner social ranking, yet because of that ranking, the "hoodlums" develop antithetical values.

Though group members know who is working and who is not, a hoodlum does not broadcast his job because the kind of work he usually can get, when compared with the "good jobs" of regulars, pays little, is hard and is considered demeaning, especially by himself. Thus, the hoodlum has little incentive to be employed, let alone brag about it

79. Elijah Anderson, A Place on the Corner (Chicago: University of Chicago Press, 1978).

...If they do have jobs, they tend not to emphasize them in the company of peers, or they talk about them negatively, speaking freely about how much they hate to work or hate their current jobs.⁸⁰

Anderson takes issue with Rodman's theory of "value stretch," arguing that his street-corner men create their own particular standards of social conduct in which status is defined by social interaction and peer-group approval. As in Rainwater, individuals constantly challenge each other's "dramatic" self-presentation. Employment, however, plays a major role in the stratification of values and is a valued currency in the attempt to gain status among peers.

Subcultures may vary according to a variety of other factors, including region, as well as class and ethnic group. Bernard Rosenberg, for example, argues that there are many distinct subcultures that vary from community to community--each with its own particular response to the condition of poverty.⁸¹ He contrasts Washington blacks, New York Hispanics, and Chicago "Appalachian" whites--and finds that employment and crime activity varied from setting to setting. The Chicago whites had a great deal of job knowledge about potential factory jobs, but were also heavily involved with car theft and violence. The New York work experience involved strictly menial jobs and theft was frequently motivated by addiction. Rosenberg's focus on specific individual subcultures that mediate employment and crime is unique in its combination of regional socioeconomic and ethnic elements.

80. Ibid., p.154.

81. Bernard Rosenberg and Harry Silverstein, The Varieties of Delinquent Experience (New York: Wiley, 1961).

C. Crime Cultures

Even more specialized are those ethnographic studies that deal specifically with various deviant or crime-committing groups as distinct subgroups within ghetto neighborhoods. For those who have been channelled into full criminal careers, the issue of subcultural mediation--lower-class culture as causal--is no longer central. They are what they have become. The focus has shifted to the distinctive value systems and behavior of deviant or criminal subcultures.

In an early study, for example, Harold Finestone explored the world of the drug addict, or "cat":

When asked for his reasons underlying the rejection of work, the cat did not refer to the uncongenial and relatively unskilled and low paid jobs...available. He emphasized rather that the routine of a job and the demand that he should apply himself continuously to his work tasks were the features that made work intolerable for him. The self restraint required by work was construed as an unwanted damper upon his love of spontaneity.⁸²

Each "cat" has his own particular hustle--any nonviolent means of support that does not involve legitimate employment. Finestone's "cats" share the expressive values of Rainwater's lower-class culture as a whole. Here addict sub-culture apparently is a mediating factor. The unstructured freedom of street-life is preferred over employment.

Edward Preble's study of addict behavior in some ways qualifies Finestone's vision of this subculture.⁸³ Like Betty Lou Valentine's ghetto residents, Preble's addicts

82. Harold Finestone, "Cats, Kicks and Color," Social Problems 5 (1957), p.9.

83. Preble and Casey, "Taking Care of Busi-ess."

work hard simply maintaining their habit, or, as Preble puts it, "taking care of business." Preble explodes the myth of a fully incapacitated addict population. Supporting a habit is seen as requiring energy, discipline and diligence, qualities not antithetical to those required by employers in fact. Preble points out that, in the 1940's, when the price of heroin was low, many addicts did work at full-time jobs, using income from employment to maintain their habits. If current addict lifestyles are oriented more towards expressive than instrumental values, as in Finestone's view, it does not appear to be because addiction itself is intrinsically incapacitating.

In another study of addict subculture--emphasizing a shared language, understandings and expectations--Michael Agar found that almost all of his addicts, studied in an institutional setting, were competent hustlers before they became street junkies.⁸⁴ Rather than being driven into hustling activity due to increased costs, they simply applied previously developed street skills to meet new needs.

David Caplovitz presents a complementary finding in his study of addicts in treatment programs who held full-time jobs.⁸⁵ Most had become addicted after entering the labor force. Having established a pattern of employment, they remained employed, even though many supplemented their income with either outside crime or employee theft. Such studies of addict culture seem to qualify the hypothesis that addic-

84. Michael Agar, Ripping and Running (New York: Seminar Press, 1973).

85. David Caplovitz, Working Addicts (White Plains, N.Y.: M.E. Sharpe, Inc., 1976).

tion in itself plays a primary role in mediating employment and crime behavior. Instead of presenting an image of addicts as incapable of employment, driven to crime by their habit, these studies suggest that the cultural orientation of addicts is more important than addiction per se in determining employment and crime roles. As Carlovitz suggests:

...it may well be that drug addiction is the devastating social problem that it is not so much because of the debilitating effects of drugs on the users but because so many of those who use drugs are otherwise socially handicapped by virtue of belonging to minority groups that suffer discrimination.⁸⁶

Just as addict street culture can be considered a distinct phenomenon, so can criminal lifestyles. Bruce Jackson's In the Life demonstrates that those who are fully committed to criminal activity do tend to have distinctly different values, seeing themselves as participants in a kind of club--"the life"--a club largely based on shared prison experience, separate and distinct from the straight world.⁸⁷ For Jackson's thieves, many of whom are white and a few of whom are middle-class, crime itself is the common cultural element rather than race or socioeconomic status. Work is no longer a viable alternative to crime and the fast, exciting life of the criminal.

Francis Ianni's Black Mafia depicts successful pimps and hustlers as role models for neighborhood youngsters.⁸⁸ But rather than focusing on common cultural traits as causes

86. Ibid., p.44.

87. Bruce Jackson, In the Life: Versions of the Criminal Experience (New York: Holt, Rinehart and Winston, 1972).

88. Ianni, Black Mafia.

for criminal lifestyles, Ianni presents informal networks that develop for crime-business reasons. Ianni contends that organized crime has traditionally been a path of upward mobility for some within the various new ethnic groups in America. Movement upward through illegitimate means becomes a way for some to move into legitimate enterprises. A clothing boutique can serve as a joint cover for a drug salesman and a pimp--a legitimate business investment with illegitimate funding. Similarly, a dry-cleaning store becomes the front for a fencing operation.

At times, illegitimate forms of employment, such as driving a gypsy cab, have connections with still shadier activities--car theft rings for stolen auto parts, phony insurance scams. At times, legitimate work can even be a means of moving towards lucrative illegitimate opportunities. A Cuban youth worked his way into criminal involvement selling cocaine by proving himself and making connections in a series of legitimate laundry and restaurant jobs. Work involvements facilitated criminal involvements.

Ianni's analysis seems to illustrate Cloward and Ohlin's theory in portraying a group of lower-class individuals with high aspirations and inadequate means who find a channel for their aspirations in criminal activity. Some move from the illegitimate sphere into increasingly legitimate activities. Others maintain a connection between employment and crime.

Karl Klockar's fence, on the other hand, is a well-established businessman who hustled his way into his busi-

ness.⁸⁹ In his store, legal and illegal goods mix freely. The fence himself began as a con artist and entrepreneur, selling cheap items with expensive labels. Yet, it is interesting that the fence distinguishes between reliable thieves--dependable, married men--and unreliable ones--unattached junkies, "the scum of the earth." Thieves are rated according to criteria similar to those that would be used to rate a legitimate employee or business associate.

William West's participant-observer study of serious thieves, a group of 16- to 19-year-olds in Canada, found that many of his thieves moved in and out of the labor market, working, or stealing for six months at a time.⁹⁰ They earned about the same amount doing either, just enough to fill their needs. Employment was generally not career-oriented. It was simply "a money-making opportunity seized to eke out an existence." Theft was seen as a short-term occupation that offered exciting, low skilled work with short hours under the control of the individual. Neighborhood fencing networks contributed to the structure of opportunity for criminal enterprises and the purchase of hot goods was accepted as an informal means of income redistribution. Yet theft was a self-limiting occupation. Risk of arrest was seen to increase with time. For most of West's young thieves, the pattern of alternation between employment and crime lasted only a few years. Most of them eventually left crime for employment and family life.

89. Klockars, The Professional Fence.

90. West, "Serious Thieves."

Such ethnographic studies of crime-committing groups present some concrete examples of unexpected linkages between employment and crime, rather than uniformly demonstrating negative employment and positive crime orientations. In addition, the ethnographers of occupational criminals constantly demonstrate that professional criminals, in order to be successful, must emulate most of the values and behavior of legitimate businessmen. That finding casts considerable doubt on any notion of crime as the product of self-perpetuating lower-class cultural values.

In the majority of formulations reviewed above, subculture is not to be thought of as a factor which is completely autonomous and determining, but rather as a collective response to structural conditions which may vary among and within groups. In retrospect, the early formulations of the "culture of poverty" may perhaps best be seen as a stimulus to later researchers to pay more attention to both the behavior and values that poor people evolve in order to adapt to their situation. Among those later researchers, however, there remain differences as to the relations of behavior to values and of both to structure. Liebow and Valentine see social structural changes--the development of improved employment for ghetto residents, for example--as likely to have direct impacts on such adaptive behavior. Rainwater and Eames and Goode on the other hand, who also believe in culture as adaptation, suggest that the impacts of such change might be delayed, given the impacts of developed "expressive" values and other coping responses.

As studies of subculture have progressed, both the theory and methodology shaping the research have been refined. Greater attention to the interplay of behavior, values, and social structure has informed this progression. The concept of adaptation has made it necessary to consider the structure being adapted to. The debates over "value stretch" have focused attention on the relations of behavior to values. The lifestyle analyses of Hannerz and Anderson have called attention to variations within the ghetto community. Rosenberg has shown that subcultures vary by region as well as by class and ethnic group.

The concept of culture has been closely intertwined with the use of ethnographic methods. Since ethnographers study people in the midst of everyday life, they are in a unique position to consider both naturally occurring behavior and the values and ideas that shape and rationalize that behavior. Further progress in understanding the role of subculture as mediating the relationships of employment to crime is most likely to emerge from ethnographic studies that build on previous efforts in investigating the interaction of values, behavior and structure.

As will be seen in the review of impact evaluations of manpower programs in Chapter Four, it is likely that subcultural perspectives would have usefully complemented research designs that overemphasized abstract, human capital conceptual approaches.

CHAPTER FOUR

THE IMPACTS OF INTERVENTIONS4.1 Introduction

This chapter examines literature concerning the impact of employment programs for populations involved with the criminal justice system on crime. The programs reviewed ranged from the very modest in scope, such as a few hours devoted to job readiness training, to such intensive efforts as more than a year's enrollment in supported work.

In this review, it has been necessary to limit our examination of manpower programs to those efforts which have been specifically developed for high risk youth and ex-offender groups. It would have been far beyond the scope of this review to examine the enormous body of literature that has developed concerning manpower programs in general. Yet it is necessary to turn briefly to that literature to help us define some of the particular program strategies developed in manpower programs in general and subsequently employed in the context of vocational programs for criminal justice populations.

The fundamental components of today's manpower programs, funded through both the Comprehensive Employment and Training Act (CETA) and private program initiatives, were developed primarily in early programs based on the Manpower Development and Training Act (MDTA) of 1962 and the Economic Opportunity Act of 1964. In a study of government manpower

programs, Charles Perry et al. not only outline the basic components of manpower programs as developed under pre-CETA legislation, but also point to a dual focus inherent in the development of such programs even in their beginnings.¹

Perry's review finds that:

...manpower programs differ significantly in the extent to which they focus on skill training as compared with removing barriers to labor market participation other than lack of skill.²

Most programs, with specifically human capital goals, were dedicated to improving the competitive position of individuals thought to be barred from employment because of lack of skills, deficiencies in basic education, lack of job market information, social-psychological handicaps and the inability to obtain supportive services. A few other programs, more concerned with labor market structures than the individual deficiencies of participants, were dedicated to breaking down social, political and institutional barriers to full participation of racial minorities in the labor market.

Perry et al. divide early programs into four major types: skills training; employability development; job development, and work experience.

1. Charles Perry, et al., The Impact of Government Manpower Programs (Philadelphia: Industrial Research Unit, Wharton School, University of Pennsylvania, 1975).

2. Ibid., p.10.

Skills training was the major focus of early MDTA programs, providing both institutional training and on-the-job training at work sites. The Perry group suggests that skills training programs provide the greatest short-term gains.

Employability development placed emphasis on educational upgrading, counselling, pre-vocational training and placement. Opportunities Industrialization Center, WIN (Work Incentive Program) and the Job Corps are presented as examples of this approach. All were programs developed to provide remedial services (upgrading education and coaching for interviews) for particularly disadvantaged segments of the population--disadvantaged minorities, AFDC mothers and unemployed youth.

Job Development programs, exemplified by the National Association of Businessmen's JOBS Program, attempted to encourage employers to relax entry hiring standards to employ the disadvantaged. Job development efforts coincided historically with government pressures to promote equal opportunity employment. Perry, however, points out that job development efforts did little to change the structure of opportunities for the hard-core unemployed. The Perry group criticize such programs as providing mostly unskilled job opportunities and being "more nearly a short-term employment-generating program for the disadvantaged than a program which has significantly increased the human capital of dis-

advantaged workers."³ Other job development programs included the Apprenticeship Outreach Program which helped minority youths break into construction trade unions, a narrow job development focus capable of having impact on the human capital of participants through placement in skilled job settings.

Work Experience programs like the Neighborhood Youth Corps are seen by the Perry group less as a vehicle for providing employment than as a "major vehicle for income transfer." They report that there is some question about the extent to which the Neighborhood Youth Corps contributed to the investment in the human capital of disadvantaged youth. The Perry review does not include any more intensive efforts to provide employment experience within a program context.

The Perry group's emphasis on the human capital goals of both job development and work experience programs point to the human capital assumptions that underlie the majority of manpower programs developed since 1962. In a manpower program setting, work is judged as valuable only insofar as it enhances the future employability of participants. In spite of Perry's reference to programs focused on "removing barriers to labor market participation other than lack of skill," most program efforts appear to have been devoted to human capital concerns.

3. Ibid., p.10.

In a recent study of ex-offender employment program models, Cicero Wilson presents a comparable typology of manpower program components.⁴ Wilson identifies six program components: skill training, job readiness, job development and placement, supported work/work experience, financial assistance, and the comprehensive services model. The last two models in Wilson's classification--financial assistance to releasees and comprehensive services in sheltered residential environments--are more specifically related to ex-offender programs than they are to general manpower programs.

The other four program models--skill training, job readiness, job development and supported work/work experience--are very similar to the components of the Perry typology. Wilson's "job readiness" is analogous to Perry's "employability development," although Wilson emphasizes its role in coaching ex-offenders on how to deal with their ex-offender status on applications and interviews.

The supported work model, on the other hand, is more complex than Perry's "work experience as transfer payment" model. Supported work, according to Wilson, is "potentially the most effective tool available to prepare the hard core unemployed and high risk ex-offender for unsubsidized

4. Cicero Wilson and Kenneth Lenihan, Program Model: Community-Based Ex-offender Employment Programs (Cambridge, Mass.: Abt Associates, 1979).

jobs."⁵ Supported work eases entry into the world of work for participants through peer support, graduated stress and close supervision. Work experience in the supported work model is conceived of as a means of promoting the transition into the world of unsubsidized employment.

In programs directed specifically at delinquent populations and those involved with the criminal justice system, as well as manpower programs in general, the human capital model predominates. A number of programs developed under MDTA represent a combination of program strategies, offering a mix of "job readiness training" and "skills training" and job placement efforts. Nevertheless, most programs appear dedicated to improving the employability of individual participants, rather than expanding the opportunity structure of the hard-core unemployed as a whole.

In this review, we ask four primary questions of the program literature examined. First, what can it tell us about the organization, operation, assumptions and objectives of programs reviewed? That is, what can it tell us about the nature of that program experience for participants? Second, what do we learn about the demographic and behavioral characteristics of program participants? Third, what were the program impacts on employability, criminal

5. Ibid., p.64.

justice involvement and labor market variables such as job opportunities? And fourth, what do we learn about the current capacity for program review and evaluation?

Two major types of documents are reviewed here. First, general surveys of program literature are examined. These documents, generally dating from the mid-1970's, serve to define what was known about vocational programs for offenders after the first ten to fifteen years of program operations. They provide an early, but extensive review of pretrial intervention programs, vocational programs in the context of corrections, and post-release community-based efforts for ex-offenders. Second, we turn to some notable impact evaluations released in the past few years: the Court Employment Project evaluation, Mathematica's Job Corps evaluation, evaluations of supported work (Wildcat and the Manpower Development Research Corporation) and the LIFE and TARP experiments in providing financial aid to released prisoners. These major evaluations are each particularly noteworthy in some respect, either for the rigor of their method or the significance of their findings in policy circles.

We had considered an organization of the chapter according to stages in criminal justice processing (pretrial, correctional, post-release). However, that form of organization seems more relevant to specific criminal justice system concerns than to an interest in employment. Yet the criminal justice population does have certain distinctive

characteristics from an employment point of view at different stages. Some argue that offenders become increasingly disadvantaged in terms of employment after the stigmatizing experience of conviction and/or incarceration. They point out that incarceration entails an enforced, extended period out of the labor market, inevitably a handicap in terms of employment. This might suggest that there are different employment needs at different stages of criminal justice processing and therefore different kinds of employment services needed. Insofar as this is noted in the literature reviewed, it will be noted here.

4.2 Surveys of Manpower Program Research in a Criminal Justice Context

By the early 1970's, manpower programs for offenders had been operating for nearly a decade and a large body of individual program reports and evaluations had emerged. Recent surveys of a variety of evaluations of manpower programs for offenders provide an overview of the experience of those programs as well as a general assessment of what is known about the impact of such programs on the vocational and criminal activities of participants.

4.2.1 Pretrial Diversion Programs

Roberta Rovner-Pieczenik's review of pretrial intervention program evaluations that were released between 1970 and 1973 made extensive, explicit use of methodological criteria

to determine what findings could be accepted as valid for individual programs, what findings could be generalized across programs, and what claims needed further substantiation.⁶ In attempting to assess the technical adequacy of reports from pretrial intervention programs, Rovner-Piecznik reviewed the findings of 15 demonstration projects in detail. In addition, she considered 194 responses from a national questionnaire survey addressed to program operators and conducted 50 in-depth interviews in six cities in an attempt to ascertain the concerns and perceptions of policy makers in regard to such programs.

The pretrial intervention programs reviewed were formalized court-based programs which diverted alleged offenders from court-based processing before trial into programs providing manpower services (vocational counselling, skills training and job placement). The cases of defendants who successfully participated in such programs were dismissed. The goals of pretrial intervention were three-fold: to relieve the over-burdened criminal justice system by diverting

6. Roberta Rovner-Piecznik, Pretrial Intervention Strategies: An Evaluation of Policy-Related Research and Policy-maker Perceptions (Washington, D.C.: American Bar Association, November, 1974).

defendants before normal court processing; to allow defendants to avoid the stigma of such processing; and to provide rehabilitative services for disadvantaged defendants. For the purposes of this review, we are more concerned with the impacts of rehabilitative services upon employment and criminal involvement than we are with either system impacts or impacts on dispositions.

The populations participating in the programs reviewed and the criteria for eligibility in these programs varied widely. Most programs explicitly excluded addicts, alcoholics and those with extreme behavioral problems as beyond the program's service capability. Participants were generally unemployed or under-employed and "severely disadvantaged on social, economic and educational indicators."⁷ (A single program, Operation Midway, was largely composed of middle-class students and high school graduates.) Although participants were mostly young, the age compositions of programs varied widely. Participants also varied according to the extent of prior record allowed, although "hardened" criminals, those with extensive records, were excluded. Programs varied according to the degree of seriousness of offense permissible; some programs excluded alleged felons,

7. Ibid., p.111.

while other programs were specifically aimed at defendants who might be more seriously involved in criminal justice processing. In general, program clientele were economically and vocationally disadvantaged, relatively young and relatively free of previous, serious criminal justice involvement.

Several programs claimed responsibility for positive changes in the employment status, wage and skill levels of program participants. All programs reported that significantly more participants were employed at termination than at intake. Two of those programs (Manhattan Court Employment Project and Project Crossroads) also reported more participants earning above \$2.25 an hour at termination than at intake. In addition, two programs (Project Crossroads and New Haven) reported a positive impact on the skill level of participants. Other programs did not report on these issues.

In addition, some programs reported positive impacts on participant re-arrests. The Miami program, and Project Crossroads claimed to demonstrate a decrease in participant recidivism during program participation, based on a comparison between participant and non-participant groups. A third program (MCEP) found no difference in program recidivism rates based on comparison with a non-participant group. A few other programs also claimed longer term (up to two years) impacts on recidivism.

Rovner-Pieczenik, however, cautions that not all of the affirmative findings reported by pretrial intervention programs can be accepted as valid. She warns that methodological problems in the evaluations limited the extent to which impacts on employment could be seen as continuing into the post-program period. Although she accepts within program impacts on employment as valid, she acknowledges that the differences found in the pre-post test design might have been partly a function of maturation.

Rovner-Pieczenik also has reservations about program findings of impacts on recidivism. In some instances, comparison group members were not randomly selected and "most matching remained incomplete."⁸ In another instance, she questions the equivalence of a small control group (n=34) selected during a different period than the participant group. Although Rovner-Pieczenik accepts the validity of these within-program impacts on recidivism, she contends that because of methodological difficulties longer term impacts have not been validly demonstrated.

Rovner-Pieczenik argues that many positive impacts claimed by pretrial intervention programs have been based on evaluative research of questionable validity. She indicates that most programs did not conduct any form of controlled research, but relied on summary statistics and cost figures submitted in annual reports to prove or disprove impact.

8. Ibid. p.83.

Over-all, she notes that "evaluation research has not been an integral part of early program planning. This has resulted in ex post facto research designs which are beset by methodological and operational problems."⁹

4.2.2 The Prison of Unemployment

In contrast to Rovner-Pieczenik's intensive review of a single program type, Robert Taggart reviewed literature concerning a full range of manpower programs for offender populations developed between 1966 and 1970 at various stages of criminal justice involvement.¹⁰ His review, in fact, provides a relatively full outline of vocational efforts aimed at offenders: pretrial intervention, vocational training in prison, education in prison, work in prison, work release programs (permitting selected inmates to be employed in the community before release), post-release services, income maintenance, job development and placement services and efforts to remove barriers to employment for ex-offenders.

Because he covered so broad a range of programs, the populations involved in Taggart's review varied greatly in age from arrestees, 40 percent of whom were under 21, through inmates, most of whom were in their 20's and 30's,

9. Ibid. p.177.

10. Robert Taggart, The Prison of Unemployment (Baltimore: Johns Hopkins University Press, 1972).

to older released ex-offenders. Taggart reports that this population was disproportionately minority, highly disadvantaged, and burdened with serious education, employment and health problems. He cautions, however, that the population of offenders may not differ greatly from other disadvantaged groups:

For perhaps a majority of first offenders and even a substantial minority of those in prison or jail, the only characteristics which distinguish them from other disadvantaged groups in the population is that they got caught.¹¹

Taggart is particularly concerned with the employment-related handicaps of offenders, pointing to the waste of human resources, "skills and abilities which are underdeveloped and underutilized,"¹² characteristic of incarcerated groups. He argues for a "manpower" rather than "rehabilitationist perspective" in reviewing employment programs for offenders:

...proving there is a correlation between unemployment and crime does not prove there is a cause and effect relationship, nor does it prove that employment can be improved to a degree or at a cost which will make it an effective means of reducing illicit activity.¹³

Taggart contends that increased employability among offenders at reasonable cost is sufficient justification for manpower programs, apart from any additional impact on recidivism.

11. Ibid., p.3.

12. Ibid.

13. Ibid., p.16.

Taggart finds "glimpses of success" among the generally disappointing manpower efforts aimed at offenders. He acknowledges positive impacts on employment reported by the earliest pretrial intervention programs, Manhattan's Court Employment Project and Project Crossroads. He finds a single successful vocational training program in an institutional context, the Rikers Island Project, which had a significant impact on the proportion of inmates placed in white collar jobs (48% of experimentals compared to 18% of controls). He argues, however, that the success of this program was more related to extensive placement effort than to the specific training (data processing) offered; few inmates could be placed in that field. Taggart also points to the success of the Draper Project in upgrading the educational levels of participants using non-traditional teaching methods (programmed learning and teaching machines). He finds that efforts to gain bonding for offenders under the Concentrated Employment Program "helped most of the recipients get jobs which would otherwise have been unobtainable."¹⁴ Taggart also acknowledges the potential effectiveness of limited intensive Employment Service placement for offenders under MDTA training, but points to the generally disappointing outcomes of most of these efforts.

14. Ibid., p.89.

In general, Taggart finds that successful manpower program efforts for criminal justice populations were few and far between. Community treatment as an alternative to incarceration had not shown any positive impact. Prison vocational training programs based on the Rikers Island project were hampered by serious equipment problems and poor implementation in the prisons; a large-scale evaluation of the post release experiences of enrollees in "251" projects showed little impact on employment experience.¹⁵ Taggart sees most prison industries as "degrading and irrelevant;" work experience in such industries had no impact on future employment. In summary, Taggart finds "no proof that any single manpower service has had more than a marginal impact on its recipients, and no proof that any combination of services can make a substantial contribution."¹⁶

Taggart argues for increasing experimentation on a larger scale with implementation of successful models. He contends that vocational programs for offenders both within and without the prison context can be made effective. He also recognizes that offenders were particularly difficult to place because employer resistance to offenders was difficult to overcome; offenders were often "last hired, first fired."

15. The "251" projects were funded under Section 251 of the Manpower Development and Training Act of 1966.

16. Taggart, The Prison of Unemployment, p.96.

He recommends the provision of public sector employment for offenders as a means of reducing "wasted human resources."

Taggart is generally less concerned with methodological problems in reviewed evaluations than others who surveyed manpower programs for offenders. He does, however, point to inadequacies in the control design of the Rikers Island Project evaluation; experimentals and control groups were not found fully equivalent since experimentals reported far less drug use than controls. He also discounts claims for impacts on recidivism in work release groups compared to offenders as a whole, pointing out that only the lowest risk prisoners were permitted in work release programs. In general, Taggart's critique of the programs reviewed has more to do with the implementation of manpower programs in a criminal justice context than with methodological problems of program evaluations.

4.2.3 The First Decade: Manpower Programs in a Correctional Context

Many of the programs reviewed by Roberta Rovner-Piecznik in her survey of ten years of criminal justice manpower programs from 1963 to 1973 overlapped with those in Taggart's review.¹⁷ Rovner-Piecznik specifically reviewed

17. Roberta Rovner-Piecznik, The First Decade of Experience: A Synthesis of Manpower Research and Development Projects in Criminal Justice and Corrections (1963-1973) (Cambridge, Mass.: Criminal Justice Research, Inc., 1973.)

reports of projects funded by the Office of Research and Development of the Department of Labor's Manpower Administration. She also conducted on-site visits and interviews with project directors.

According to Rovner-Pieczenik, in the ten years reviewed, emphasis shifted from prison-based skill-training efforts to community-based projects focusing on job development and placement. Parallel to this trend was an increased awareness of "the need for change within the established social institutions,"¹⁸ primarily concerned with barriers to ex-offender employment. Specifically, early programs, based on a 1963 amendment to MDTA, provided prison-based training to youthful offenders. By 1967, Section 251 of MDTA extended such training to older offenders. After 1968, attention shifted to alternatives to incarceration, pretrial intervention, work release, post release supports and efforts to reduce barriers to ex-offender employment.

She finds that participants in the projects reviewed were relatively disadvantaged members of an already disadvantaged population. The typical participant was a young (19-25) male high school dropout or "pushout," untrained, unskilled, with little career potential and an early history

18. Ibid., p.1.

of criminal activity. Employment experiences had been in low-paying, high turnover, unskilled, deadend jobs. Long range vocational plans were infrequent. Rovner-Pieczenik also reports that "successful" program participants (those who completed programs, were placed in jobs and maintained employment) were generally older, more educated, had relatively good employment histories, were married and had strong community ties.

Rovner-Pieczenik reports positive program impacts on employment in programs also cited by Taggart. The Rikers Island Project was successful in that more experimentals than controls found white collar jobs. In Project Crossroads, pretrial intervention program, "successfully terminated" participants had better jobs and wages after a year than a matched group of controls (the project did not report job outcomes of program dropouts). Rovner-Pieczenik also cites the Experimental Manpower Laboratory of Corrections (EMLC) educational program (an extension of the Draper Project cited by Taggart) as successful, because more experimentals than controls were working six months after release. Other programs reported improved work performance from project entrance to termination (Youthful Offender Project) or high job placements.

Rovner-Pieczenik sees such impacts far more positively than Taggart. She finds it "evident that projects were successful in achieving employment goals."¹⁹ Yet she also notes that ex-offenders received minimal assistance from correctional institutions, probation and parole officers and government employment agencies in finding work. Job development effort is deemed inadequate: "It has typically been limited to securing jobs for participants and has overlooked the potential of close work with employers in job redefinition and restructuring."²⁰

Rovner-Pieczenik also reports that many ex-offenders had job stability problems, leaving their first jobs after only a few months. She qualifies the finding of job instability, however, by pointing out that "high job mobility did not necessarily mean lack of project success (but) was often part of a stepping stone process in which a temporary dead-end job was taken until a more desirable opening is available."²¹

Her report also indicates that few evaluations were designed to measure impacts on recidivism. Both pretrial diversion programs reviewed (Project Crossroads and Court Employment Project) report positive impacts on recidivism. A

19. Ibid., p.25.

20. Ibid., p.4.

21. Ibid., p.96.

longitudinal follow-up of post-release behavior of MDT-trained and non-MDT-trained releasees conducted by EMLC showed no difference in recidivism rates, in spite of more time spent employed by experimentals. Like Taggart, Rovner-Pieczenik warns that an over-emphasis "on reducing recidivism can be harmful to projects' other goals."²² She argues that valid manpower questions deserve consideration apart from concern about recidivism.

Although efforts to overcome barriers to ex-offender employment had not been specifically evaluated, Rovner-Pieczenik does point to intensive efforts to disseminate information about such barriers and to inspire legislative change by the National Clearinghouse on Offender Employment Restrictions. She finds that efforts, such as the Federal bonding program, had unmeasured impacts on structural conditions of employment for ex-offenders, although major "societal barriers to the employment of the offenders"²³ remained.

Rovner-Pieczenik emphasizes the fact that most programs did not provide for any controlled evaluation of their impacts. Only the evaluations of pretrial diversion programs and one Manpower Development and Training Administration program utilized a control group and post-program follow-up design. Rovner-Pieczenik also points to a need for increased

22. Ibid., p.21.

23. Ibid., p.89.

attention to early planning for program assessment. She maintains that there has been a close tie between early assessment and program effectiveness, citing the example of pretrial intervention programs. If she is generally more positive than Taggart in her assessment of manpower efforts for criminal justice populations, she is also far more critical of the methods used in the evaluation of those programs.

4.2.4 Community-Based Programs

Mary Toborg et al. reviewed a more limited group of efforts, specifically community-based programs operating between 1966 and 1975, providing employment services to prison releasees.²⁴ In addition to an extensive review of program evaluations, Toborg conducted a mail/telephone survey of 250 employment service programs and made site visits to 15 programs.

Services provided by these programs included counseling, job readiness, skills training, transitional employment, supported work, educational upgrading, support services, job development and placement, and follow-up assistance. Median program length was six months. Over 80 percent of all programs reported that they provided some form

24. Mary Toborg et al., The Transition from Prison to Employment: An Assessment of Community-Based Assistance Programs (Washington, D.C.: The Lazar Institute, 1977).

of counseling, job placement or development and follow-up. Transitional employment and supported work were the program components least likely to be provided among programs reviewed. Toborg points out that they are also the most expensive.

Typical clients of such programs were adult prison releasees who had been incarcerated for at least six months. Participants were generally low skilled, had low educational levels and had demonstrated problems in maintaining steady employment. Toborg points out that female ex-offenders are at least as disadvantaged in terms of employment as male releasees, but few programs are specifically addressed to the particular employment needs of women ex-offenders.

Toborg's review of surveyed program impacts on employment variables considered each program strategy separately. Toborg finds that there had been little analysis of the impact of skills training on employment outcomes, but suggests that impacts on employment depend on training being tied to the needs of local labor markets. Like Taggart and Rovner-Pieczenik, Toborg refers to the success of the non-traditional education program developed by EMLC in improving educational levels, but suggests that the impact of educational gains on employment had not been tested. Similarly, although she acknowledges that ex-offenders lacked job-readiness, Toborg finds that the impact of job readiness programs on employment had not been assessed nor had evaluators ex-

plored "the relative value of job readiness training, vis-a-vis other program services, such as counseling or job placement."²⁵ She reports that supported work programs (Vera's Wildcat) had been successful in promoting good work habits among participants, but points out that as of January 1975, many participants had failed to move into non-supported jobs. Finally, Toborg reports that although most surveyed programs claimed that the majority of their clients were successfully placed, there had been little controlled evaluation of placement efforts; the extent to which successful job placement might be attributed to the programs' intervention could therefore not be determined.

Although Toborg acknowledges that several programs reviewed claimed positive impacts on recidivism, she also reports that there have been few controlled evaluations of program impact on recidivism. In a three-year follow-up study, conducted by the Experimental Manpower Laboratory for Corrections (EMLC), parolees who had participated in a prison-based program were found to have initially lower recidivism rates than a control group of parolees who had not participated; these differences, however, dissipated in the course of the three-year study. Toborg complains that evaluations that did contain measures of recidivism generally failed to relate employment to recidivism, nor were different recidivism measures comparable across programs.

25. Ibid., p.16.

In Toborg's assessment, the state of knowledge concerning the impacts of community-based employment programs for ex-offenders at the time of her review was far from adequate. She points repeatedly to the absence of systematic evaluation and the dearth of cross-program comparisons. She argues that employment programs must measure impacts on job stability and job quality as well as placement. She also recommends comparative analyses of outcomes of various program characteristics, in order to determine the value of providing a broad range of program services in contrast to more specifically focused assistance.

In summary, surveys of offender oriented manpower program evaluations and reports serve to define the state of knowledge about such programs in the mid-1970's. Toborg's 1977 review reveals that, although a battery of service components ranging from job-readiness training to follow-up assistance had been developed, little is known about the effectiveness of individual program components or the impacts of particular program efforts. Several surveys of manpower programs for offenders point repeatedly to the same few reported successes--EMLC's educational program, the Riker's Project, early pretrial intervention efforts, but there is no systematic knowledge of what program components are responsible for these apparent successes.

The surveys are generally rather positive about the potential of offender-oriented manpower programs to have desirable impacts upon employment; but they tend to view possible impacts on recidivism as being second in importance to alleviating the employment problems of vocationally disadvantaged populations. Taggart's assessment of the "generally disappointing" results of program efforts reflects an acknowledgement of poor implementation of manpower programs in a correctional context; he remains optimistic about the potential of such programs for reducing "wasted human resources." Other reviewers seem more positive, but emphasize the limitations of what is known about the impacts of vocational services for offenders. As a group, surveys of the first ten to 15 years of manpower programs for offenders point to a need for rigorous controlled impact evaluations of such programs, a need recognized and addressed in the latter half of the 1970's.

4.3 Impact Evaluations

In the past few years the first several of what promises to be an extensive series of rigorous, controlled, long-term impact evaluations of major vocational efforts for offender populations have been released. The six impact evaluations reviewed here vary greatly in terms of their program populations, program designs and reported impacts on employment and recidivism. Yet they are all, in some sense,

important contributions to evaluation literature and figure greatly in current policy discussions of offender-oriented employment programs.

4.3.1 The Court Employment Project (CEP)

The recent Court Employment Project evaluation can be seen as a response to demands for more methodological rigor in evaluation of pretrial intervention programs.²⁶ Inadequacies of previous evaluations had been pointed to repeatedly, not only by Rovner-Pieczenik, as discussed above, but also by Joan Mullen (in an evaluation of nine pretrial intervention efforts reviewed by Rovner-Pieczenik) and by Franklin Zimring²⁷ in a specific re-assessment of the first CEP evaluation. Zimring points to inadequacies in recidivism data, follow-up data on employment and case disposition data for the comparison group in the early CEP evaluation. He points out that most comparisons in the evaluation were between successful participants and either unsuccessful defendants (those who had been terminated from the program)

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26. Sally Hillsman Baker and Susan Sadd, "The Court Employment Project Evaluation," Vera Institute of Justice, New York City, 1979. (Mimeo.)
 27. Joan Mullen et al., Final Report: Pretrial Intervention; A Program Evaluation of Nine Manpower-Based Pretrial Intervention Projects Developed Under the Manpower Administration, U.S. Department of Labor (Cambridge, Mass.: Abt Associates, Inc. 1974); Franklin Zimring, "The Court Employment Project," report submitted to the New York City Human Resources Administration, 1973. (Mimeo.)

or the comparison group. This tended to bias the results in favor of the program given the self-selection attending successful participation. Zimring argued that "the only cure for a poor evaluation is a good one--in this case, large-scale and careful random assignment experimentation."²⁸ The recent CEP evaluation emerged in response to such recommendations.

In January 1977 the Vera Institute began a controlled design evaluation of the Court Employment Project, with the assistance of funding from the National Institute of Law Enforcement and Criminal Justice of the Law Enforcement Assistance Administration. The evaluation tracked 410 experimentals and 256 controls for a year after intake. Two follow-up interviews were conducted at six-month intervals. The evaluation design called for random assignment of defendants screened as eligible for pretrial diversion to experimental and control groups.

The Court Employment Project has a long, well-documented history. The Manhattan program was initially funded in 1968 by the Department of Labor, along with Project Crossroads in Washington, D.C., as one of two demonstration pretrial diversion programs in the country. These programs served as models for DOL's further expansion of manpower-based pretrial diversion programs in 1971 and again in

28. Zimring, "Court Employment," p.91.

1974. Other pretrial diversion programs, heavily funded through LEAA, developed rapidly in the course of the 1970s. After the initial demonstration phase, CEP was spun off as an independent, not-for-profit corporation of the City of New York funded through the Human Resources Administration.

As initially articulated, CEP's goals included providing needed employment services to a population of criminal court defendants pre-adjudication as a means of demonstrating that employment services can be life stabilizing (i.e., reduce recidivism) within a short period of time (three to four months of program participation.) The charges against successful participants were dismissed to eliminate the potential stigma of criminal justice involvement.²⁹

In the course of its history, the kinds of employment services provided by CEP changed dramatically. Early program emphasis had been on job placement. Over time, CEP came to see itself less as an employment service and more as a comprehensive vocational services agency, providing referrals to social services, situational counselling, vocational counseling and preparation, limited in-house training and job development and placement for "job ready" participants. In 1977, the Job Development staff was re-organized into a

29. As discussed earlier, although primary goals of pretrial intervention programs were concerned with impact on case outcomes, we are here interested in such programs only in terms of their impacts on employment and recidivism.

three-part unit: vocational counselors, who ascertained vocational goals; job developers, who located jobs in the community; and vocational placement specialists, who made specific job referrals to participants. As noted in Baker's evaluation, however, the new organization was far from successful, being faced with a poor job market, difficult clients to place and severe understaffing. Recently, the vocational services offered by CEP can be seen as primarily confined to limited endeavors to improve human capital (improve literacy, teach participants to read subway maps and telephone directories, job readiness training and vocational counseling).

CEP underwent other changes as well. But in 1977, when the evaluation was begun, CEP participants were felony defendants residing in New York City (except Staten Island) who had no outstanding bench warrants or other pending charges, and who consented to participate in diversion; specifically excluded were alcoholics, addicts, juveniles, and those fully employed at the time of contact. The 1977 evaluation revealed that during the evaluation period participants were young (median age 18), largely male, over three-quarters minority, mostly single, relatively uneducated and generally unemployed. Half of the participants came from welfare families. The population was typically "street" oriented, likely to "hang out" or "hustle" in their free time. Although a quarter were enrolled in school, at-

tendance was sporadic. According to Baker, staff found CEP participants were particularly difficult to place in jobs because they were "unmotivated, articulated poorly, dressed inappropriately, had negative attitudes toward employment, and often didn't show up for appointments."³⁰

The CEP evaluation failed to find any program impact on participants' vocational activities. During a 12-month period following program intake, program participants experienced significant increases in their salaries and the amount of their employment, compared to the 21 months before intake. Controls experienced exactly the same improvements. The data suggest that this improvement was probably a result of maturation. In addition, the evaluation showed no difference in the educational activities of experimentals and controls during the twelve months after arrest, in spite of the program's emphasis on establishing vocational and/or educational goals.

The CEP evaluation showed no difference in within-program period recidivism rates for experimentals and controls, either in the number or the severity of rearrests. There were also no differences revealed in the recidivism rates of the two groups either in the twelve month follow-up or in a subsequent collection of recidivism data 23 months after the beginning of research intake.

30. Baker, "Court Employment Project Evaluation," p.92

According to Baker, the CEP evaluation raises some question about whether pretrial diversion was an appropriate context for effective social service delivery. Although over half the experimentals in CEP attended the program regularly and were successful in having their cases dismissed, these clients were no different on measures of vocational, educational and criminal activity than experimentals who did not attend. Baker suggests that CEP participants were far more concerned with getting their charges dismissed than they were with the services provided by CEP. She suggests that the client population was suspicious of formal helping organizations and more likely to turn to family and friends in solving personal and employment problems. She also cautions that young, urban minorities face powerful barriers to any successful intervention in their vocational lives.

Clearly, the recent CEP evaluation severely qualifies the positive findings of the earliest review. In large part, this represents, as Zimring demanded, a "cure for a poor evaluation" i.e. large-scale, careful random assignment experimentation. It might be pointed out that the vocational services offered by CEP in 1977 were greatly diminished from those provided in the healthier job market of 1967, but it is nevertheless apparent that the vocational services offered during the evaluation period by CEP had no impact on either the vocational or criminal activities of program participants.

4.3.2 The Job Corps

Established by the Economic Opportunity Act of 1964 and transferred from the Office of Economic Opportunity to the Department of Labor in 1969, the Job Corps is one of the oldest, largest efforts targeted at the employment problems of extremely disadvantaged youth. The Job Corps combines in a comprehensive service model a mix of education, vocational skills training, health care, residential living, counseling and other ancillary services. The program has recently reached out for special target groups such as "solo parents," the handicapped and ex-offenders. The Job Corps has been incorporated without change into the Department of Labor's Comprehensive Employment and Training Act (CETA) efforts as Title IV of the 1973 Act. Under CETA, the Job Corps continues to be administered at the federal level and is mainly implemented in two approaches: "contract centers" run by private groups selected in competitive bidding by regional offices of the Department of Labor and "civilian conservation centers" (CCC centers) operated on public lands by the Department of Agriculture and the Department of the Interior.

A Mathematica Policy Research (MPR) survey of Job Corps participants in the spring of 1977 revealed that, at that time, Corpsmembers were overwhelmingly young (one half under age 18), minority (59% black, 11% Hispanic, and 5% American

Indian) and predominantly male (70%).³¹ Nine out of ten Corpsmembers had not as yet completed high school and one third had never worked as long as one month. In all, Corpsmembers were found to be among the most severely disadvantaged of manpower program target groups: according to MPR, "Almost all Corpsmembers have experienced poverty, welfare dependence, or both."³²

Because of its size and the scope of its efforts to improve the labor market prospects of extremely disadvantaged groups, the Job Corps has received considerable attention during the first decade and a half of its existence. In 1969, Louis Harris and Associates conducted a survey of former Job Corps participants; in 1975 Levitan and Johnson published another study of the program.³³ This early research, however, was handicapped by an inability to obtain information from comparison or randomly selected control groups of non-participants. The studies furthermore were concerned only with employment measures even though the target population was characterized as including those with behavioral

31. Charles Mallar et al., Evaluation of the Economic Impact of the Job Corps Program (Princeton: Mathematica Policy Research, December, 1978.)

32. Ibid., p.11.

33. Louis Harris and Associates, A Survey of Ex-Job Corpsmen (New York: Harris Associates, 1969); Sar Levitan and Benjamin Johnson, The Job Corps: A Social Experiment That Works (Baltimore: The John Hopkins University Press, 1975.)

problems, often involving serious criminal records. Levitan and Johnson nevertheless concluded that the Job Corps was largely "a social experiment that works." They cited data showing a positive impact on employment which increased the longer an enrollee remained in the program: "almost all studies have found that Corpsmen are better off after the program than they were on entrance, whether their standard of measurement is employment, earnings, educational level, motivation, or work habits."³⁴

These early indications of Job Corps success have been substantially confirmed by Mathematica's recent, rigorously conducted longitudinal evaluation of the program. Beginning in 1977, MPR surveyed both a cross-sectional sample of Job Corps participants and a comparison group sample that combined selection from among young school dropouts (70%) and somewhat older applicants to state Employment Service offices (30%). The MPR researchers took advantage of the fact that in fiscal 1977 the Job Corps was relatively unevenly available to disadvantaged groups around the country. It was accordingly possible to obtain a sample of non-participants from areas not "saturated" by the program; subsequent comparisons between Job Corps participants and the non-participant sample were further refined by statistical adjustments aimed at eliminating any effects attributable to pre-existing differences between the two samples.

34. Levitan and Johnston, Job Corps, p. 101.

The MPR researchers also sought to conceptualize the evaluation of Job Corps impacts in human capital terms and to apply this conceptual scheme both to labor market impacts of the program and to its potential for averting crime.

Mallar et al. comment:

The theory of economic choice underlies many studies of employment and training programs. This theory suggests that individuals choose among competing demands on their time according to the wage rates they can receive, other prices, and sources of nonemployment income that are available. A person's wage rate is hypothesized to depend on his or her productivity, which increases with education and vocational training. Job Corps should increase participants' productivity, wage rates, and economic motivation to work.³⁵

The MPR researchers identify four distinct areas within which the program would exert impacts. First, experience in the program should affect the labor market activities of the participants, enabling them to increase their productivity and thereby receive more employment, higher wage rates, and higher earnings. Besides short-term effects directly attributable to the Job Corps, the ultimate impacts on labor market activities might include "subsequent reinforcing effects." These would occur in cases where early post-program employment provided "on-the-job training and a record of worker reliability that is, in turn, rewarded with even higher wage rates and earnings in the future."³⁶

35. Mallar, Evaluation of the Job Corps, p.32.

36. Ibid., p.24.

Besides its impacts on labor market activities, it was expected that Job Corps participation might have impacts in three other areas: increasing human capital investment (training and work experience, education, mobility, health and military service); reducing welfare dependence; and reducing antisocial behavior (drug and alcohol abuse and criminal behavior). In suggesting theoretical reasons why an anti-crime impact should occur as a result of the program, the evaluators add a mix of other reasons to the already developed theme of economic choice:

The post-program reductions in antisocial behavior stem from the entire Job Corps effort to promote more regular life styles and employment--from counseling and center living to the vocational training and educational services. Training and education are important because, to the extent that Job Corps is successful in increasing the employability (i.e., labor-market productivity) and the educational abilities of Corpsmembers, legitimate activities become increasingly more attractive relative to illegitimate activities.³⁷

Mallar finds that Job Corps participants usually experienced a two-month interval of depressed employment and earnings after leaving the program and while re-entering the labor market, but then achieved gains greater than would have occurred without participation. In the week prior to the follow-up survey, at an average of seven months after leaving the program, Job Corps males who completed the program earned \$23.24 more than it was estimated would have been the case without the program. Youths who failed to

37. Ibid., p.28.

complete the program, including both early drop-outs and "partial completers," experienced short-term re-adjustment problems and their longer term impacts "are far less certain (small, sometimes negative, and most often statistically insignificant)."³⁸

Program completers also increased their human capital investments, reduced their reliance on welfare and other transfer payments and reduced their criminal and drug-abuse activities. The impact on arrests was evident for all experimentals, including early dropouts and partial completers. The authors conclude:

While not all of these individual effects are statistically significant, several are, and the pattern seems clear for program completers. These other economic impacts are also more questionable for youths who do not complete the program, except for the reductions in arrests for males, which amount to over eight fewer arrests for every 100 Corpsmembers.³⁹

Difficulties arise in interpreting the implications of the research for a behavioral model of employment and its impact on criminality. The evaluation concentrated on program completers, but this group constitutes only thirty percent of all enrollees. Forty percent of enrollees in Job Corps in fact dropped out during their first 90 days in the program and another 30 percent were "partial completers."

38. Ibid., p.iii.

39. Ibid., p.34.

The detailed findings of the MPR research point to sometimes puzzling patterns in the experiences of participants when they are grouped according to program completion status. Examining the relationship between Job Corps participation and criminality, it becomes evident that the program's impact on crime consists of a mixture of "social control" and "behavioral change" dimensions. Placed in residential settings under close supervision and at a distance from their inner-city homes, it is not surprising that the incidence of self-reported burglaries and auto larcenies declined three-fold among Job Corps participants as contrasted with a comparison group still residing on their "home turf."

Furthermore, in the post-program period, experimentals exhibited dramatically more geographical mobility than the comparison group, although the researchers did not consider the relationship between increased mobility and other variables. As the evaluation's detailed data show, an anti-crime impact did continue into the post-program follow-up period, but only at about one third the level of the in-program impact. It is also puzzling to note that arrests were reduced much more during the follow-up period among early dropouts (11 fewer arrests per 100 over six months) than was true for either those who completed the program or "partial completers" (six fewer arrests per 100 over six months for both groups).

Since the evaluators estimate that half of the economic benefits to society accrue from reduction in arrests (both during the program period and afterwards) it is hoped that the research will attempt to further analyze the interconnections among residential living/mobility, employment impact and crime. Furthermore, since the Job Corps serves a very young population (aged 16 to 21) and since the incidence of arrests begins to decline precipitously shortly after this age range, it must be expected that it will become increasingly difficult to assess longer term program impacts on arrests as their incidence decreases among both older ex-Corpsmembers and the comparison group.⁴⁰

4.3.3 The Supported Work Programs

One of the more intensive efforts to improve the employability of ex-offenders was begun in 1972, when the Vera Institute set up the Wildcat Service Corporation to provide jobs and job training to chronically unemployed former heroin addicts and criminal offenders. Wildcat introduced the concept of "supported work" as a means of structuring work

40. A recently released follow-up study of Job Corps impacts, Charles Mallar et al., Evaluation of the Economic Impact of the Job Corps Program: Second Follow-up Report (Princeton, N.J.: Mathematica Policy Research, 1980) revealed that program impacts on employment and earnings remains stable over a two-year period after the baseline interviews, but program impacts on criminality faded out rapidly after Corpsmembers were out of the program for a year.

experience for these hard-to-employ populations. The main elements of the supported work structure were:

- employees worked in crews;
- a member of the crew served as chief with special responsibilities;
- supervisors oversaw chiefs and crews with an eye on production goals as well as rehabilitative needs of the workers;
- tasks and work rules were defined clearly for the workers;
- workers were provided with regular feedback on their performance;
- stress, demands and expectations imposed on the worker began at a low level and were increased as the worker's capacity developed;
- frequent rewards were used to reinforce effective work performance;
- discipline was imposed at the work site to teach good work habits and increase production;
- the work performed was productive and seen as valuable by the workers;
- counseling and other forms of support services were made available after work hours.

The Wildcat program was supported by a consortium of funding agencies including the Department of Labor's Employment and Training Administration, the National Institute on Drug Abuse (NIDA), the Ford Foundation, and the Law Enforcement Assistance Administration (LEAA). Operating funds were also provided by fees charged for Wildcat services, and by the Department of Health, Education and Welfare (HEW), which diverted to the Corporation's salary pool the welfare pay-

ments to which participants would have been entitled if they had not been earning a Wildcat wage.

The Vera Institute conducted a controlled design evaluation of the program, with the assistance of funding from NIDA and the N.Y.C. Department of Employment.⁴¹ The evaluation covered only those participants who were referred to Wildcat from heroin addiction treatment agencies. One hundred ninety-four experimentals, who were randomly assigned to the program, and 207 controls, who were randomly prevented from entering the program were tracked, for three years starting in July of 1972. The evaluation showed that the program increased employment stability and earning capacity among the ex-addicts in the sample, but that this difference between experimentals and controls narrowed as the three-year period wore on. In addition, the program appeared to reduce long-term welfare dependency among participants.

The evaluation also showed that a smaller percentage of the experimentals were arrested than controls over the three-year period. However, these data showed a very large difference between arrests of experimentals and of controls at the end of the first year, but virtually no difference at the end of the third year. Finally, the evaluation showed

41. Lucy N. Friedman, The Wildcat Evaluation: An Early Test of Supported Work in Drug Use Rehabilitation (Rockville, Md.: National Institute on Drug Abuse, 1978).

that employment was closely associated with low arrest rates in both groups. Indeed, "for both experimentals and controls, the three-year arrest rate of sample members who were employed for more than 18 of the 36-month study period was less than half the rate of sample members employed for fewer than 18 of the 36 months."⁴²

The apparent success of the Wildcat program led the Department of Labor to collaborate with the Ford Foundation and the Department of Health, Education and Welfare in funding a large scale, multi-site supported work program known as the Manpower Demonstration Research Corporation (MDRC). MDRC was planned on a broader scale than Wildcat, providing services to four distinct groups: ex-offenders, ex-addicts, juvenile delinquents and welfare mothers. The program was specifically conceived as an experiment, a means of testing the impacts of supported work on different populations.

MDRC implemented an evaluation similar in its controlled design to the design used by Vera in researching the Wildcat program.⁴³ The research was carried out by Mathematica Policy Research and the Institute for Research on Poverty at the University of Wisconsin. Eligible volunteers were randomly assigned either to a group of 3,214 partici-

42. Ibid., p.4.

43. Manpower Demonstration Research Corporation, Summary and Findings of the National Supported Work Demonstration (Cambridge: Ballinger Publishing Co., 1980).

pants or a group of 3,402 controls. Data on each of the individual participant groups (ex-offenders, ex-addicts, juvenile delinquents and welfare mothers) were examined separately for program impacts at nine-month intervals over a three-year study period.

During the period of the demonstration, from March 1975 through December 1978, 10,043 persons were employed as participants in MDRC: 38 percent ex-offenders, 21 percent AFDC recipients, 23 percent youth and 12 percent ex-addicts (an additional 6% were composed of mental health patients and alcoholics, groups not examined by controlled research within the program). Eligibility criteria were designed to ensure that participants be severely disadvantaged--AFDC women must have received welfare for over three years, ex-addicts and ex-offenders must have been in treatment programs or incarcerated within the past six months, eligible youth must be high-school dropouts, and 50 percent of them must have had prior contact with the criminal justice system. Participants were "poor, minimally educated, with little connection to and experience with the regular labor market, but with considerable links to and experience with criminal justice and public assistance agencies."⁴⁴

Several features of supported work were rigorously standardized across program sites. All sites maintained the

44. Ibid., Ch.II, p.7.

same eligibility requirements, wage and bonus structure, and period of maximum participation. In addition, all sites provided peer support, graduated stress and close supervision. Yet graduated stress was implemented differently at various sites, sometimes as increased productivity demands over time, sometimes as increasingly complex task assignments and sometimes in the form of decreased degrees of supervision. The types of work provided also varied across programs, including building maintenance, security, day care, construction and manufacturing jobs.

Characteristics of the performance of different participant groups within the program varied greatly. Average length of stay in supported work was 6.7 months, yet there was considerable variation across participant groups. Welfare mothers stayed longest in supported work, an average of 9.2 months. Ex-offenders were most likely to leave the program quickly, staying an average of 5.2 months. Overall, 30 percent of all participants were dropped from the program for poor performance. Welfare mothers were least likely to be dropped (11%); ex-addicts and youth were most likely to be dropped (37% each). Welfare mothers were also most likely to move to full-time unsubsidized employment after program participation.

Impacts on the employment activities of different participant groups as compared to their respective control groups also varied considerably. Throughout the post-pro-

gram period, AFDC experimentals did significantly better than AFDC controls in terms of increased employment, increased earnings and reduced welfare dependence. Research also showed that ex-addict experimentals demonstrated more post-program employment and better wages than ex-addict controls in the final nine-months reviewed (the period between the 27th and 36th month) although there were no significant differences in employment between the two groups in the immediately preceding period. There were no significant differences in the post-program employment and earnings profiles of experimentals and controls for either the ex-offender or the youth groups.

The ex-addict experimental group also demonstrated substantially less criminal activity than the ex-addict control group, both during and after program participation. There were, however, no apparent impacts on the criminal activity of either the ex-offender or the youth groups, either during or after program involvement. Drug use was not significantly affected in any of the samples.

The final findings of the MDRC evaluation can be seen as to some extent qualifying the earlier positive findings of the Wildcat evaluation. Although there was apparent impact on the employment and criminal activities of the ex-addict group, as reported by Wildcat, there was no evidence that supported work could be extended to ex-offender and youth populations with equal success. Nor was there evi-

dence, as in Wildcat, that employment was closely associated with low arrest rates across experimental and control groups. For ex-offender and youth groups there was no apparent within-program impact on criminal activity, although, because program employment was supplied to all participants, experimentals displayed far more employment during the first nine months than controls.

The MDRC final report indicates that supported work had very different impacts for different groups. It has not, however, been shown to have any positive impact on either the employment or the crime activities of youths and ex-offenders, the two groups with which this review is centrally concerned.

4.3.4 Financial Aid to Released Prisoners: The LIFE and TARP Experiments

In recent years, increasing attention has been focused on the plight of the released offender, particularly on the difficult re-adjustment period faced by releasees immediately after release. It was known that many releasees had long criminal histories at the time of confinement and evidenced substantial likelihood of being re-arrested after return to the community. It was reasoned further that the typical inmate's experience while in prison was often destructive in a social-psychological sense and, because of the dearth of high quality programs, offered little that would effectively

prepare him for re-entry. Finally, it was recognized that the vast majority of inmates leave prison without savings, without immediate entitlement to unemployment benefits, and with very poor prospects for employment. Thus, they are without resources at a time when the need for them is acute.

This perspective on the plight of ex-prisoners identified them as a population critically in need of vocational assistance, and suggested that recidivism among ex-prisoners could be reduced by increasing their employment and expanding their future employment opportunities. Although the Department of Labor incorporated those objectives in MDTA and implemented that directive during the 1960's and 1970's in the various vocational training and job placement programs for inmates within prisons and after release, for those who could not find work immediately the problem of acute financial need at the time of release remained.

For this reason, the Department began experimenting with the provision of modest financial aid to ex-prisoners for a short transitional period after release. These experiments were organized and supervised by the Office of Research and Development within the Employment and Training Administration. They began in 1971 with the Baltimore LIFE experiment (Living Insurance for Ex-Prisoners).⁴⁵

45. Kenneth Lenihan, Unlocking the Second Gate, R&D Monograph 45, U.S. Department of Labor (Washington, D.C.: Government Printing Office, 1977).

The LIFE program was a research and demonstration project, directed by Kenneth Lenihan. It sought to determine whether or not the provision of transitional aid payments upon release would reduce re-arrests for property crimes among ex-prisoners. Persons being released from Maryland state prisons were randomly assigned to one of four groups-- those who received transitional aid payments, those who received vocational counseling and job placements only, those who received both payments and job placement services, and those who received no treatment at all. Alcoholics and addicts were screened out. The target population had committed at least one property crime, been arrested more than once, were under 45, had not participated in work release, had under \$400 in savings, and were generally vulnerable to rearrest and unlikely to find work easily. Participants were entitled to the full allotment of \$780 even though they secured employment. In that event, the weekly payments were reduced but extended in time. This arrangement was designed to prevent the payments from acting as disincentives to employment among the participants.

Lenihan found that those receiving payments evidenced a 23 percent re-arrest rate for property crimes over a one-year period. This compared with re-arrests of 31 percent for those who received either job placement or no service at all. This 8 percent difference reflects a relative decrease of approximately 25 percent in property related arrests among experimentals.

The study also found a strong, consistent relationship between being employed and reduced arrests among the research subjects in all groups. However, despite intensive efforts at job placement, the program did not show greater levels of employment among those getting this service than among control groups. Indeed, Lenihan believes that the re-arrest differences among experimentals and controls produced by the payments would have been substantially greater had the program been more successful in finding employment for participants.

Although encouraged by the findings of the LIFE program, the Office of Research and Development recognized that the program was implemented under particular experimental conditions which limited its applicability. Specifically, the participants in LIFE were given a great deal of skilled, individualized attention by the research staff which would not be replicated in a large scale employment security office. In addition, the participants in LIFE were all people with a high probability of re-arrest, rather than the general population of those discharged from prison.

For these reasons, the Office decided to test the effects of such transitional aid under conditions that more closely approximated those that would obtain if and when this form of intervention were institutionalized. Therefore, two new experiments were begun in January, 1976.

The new experiments were operated in Texas and Georgia and were researched together under the name Transitional Aid Research Project (TARP). TARP involved approximately 2,000 participants in each state. All were ex-felons who entered the program at the point of release from prison; however, eligibility was extended to all releasees. In addition, the financial aid, analogous to unemployment benefits (\$64 per week in Texas and \$70 in Georgia), was distributed through the Employment Security Offices in each state and its continuance was subject to all the normal unemployment insurance rules and regulations. The most notable impact of these rules was that the payments were reduced substantially by the amounts which participants earned from employment.

The TARP program also sought to determine whether or not larger payments had any effect on re-arrests. Thus, there were five research groups established in each state as follows: 1) 26 weeks of payments within a one-year eligibility period, with benefits reduced on a dollar-for-dollar basis for earnings received; 2) 13 weeks of payments within a one-year eligibility period with benefits reduced on a dollar-for-dollar basis for earnings; 3) 13 weeks of payments within a one-year eligibility period with benefits reduced 25 cents for every dollar of earnings; 4) no payment eligibility, but job placement services provided with up to \$100

for the purchase of tools, work clothes, etc.; 5) no payment eligibility nor job placement services of any kind, i.e., the full control group. Finally, approximately 1,000 other prison releasees were followed up, through checks on re-arrest records and FICA earnings records.

The findings regarding the overall effects of the TARP experiments were summarized by the researchers as follows:

First of all, there were no significant overall differences in either state between experimental and control groups in average numbers of arrests on property-related charges during the post-release year. Secondly, there were no overall differences in other types of arrests (not related to property). Thirdly, the work disincentive effects of TARP payments were considerable in both states, with persons in payment groups working considerably fewer weeks over the post-release year. Finally, there were not very strong differences in the total annual earnings of experimentals as compared to control groups, a finding that suggests that the experimental subjects managed to get higher wages when they did work and hence earned about the same amount over the year as the controls even though they worked overall fewer weeks during that period.⁴⁶

The most interesting findings of these experiments are those which the authors describe as the "Counter-Balancing Effects" of the program:

The findings suggest that the TARP payments had two effects that opposed each other and balanced each other out. On the one hand, TARP payment lowered the number of arrests experienced by per-

46. Peter H. Rossi, Richard A. Berk and Kenneth S. Lenihan Money, Work and Crime (New York: Academic Press, 1980), I, p.20.

sons receiving the payments. On the other hand, because TARP payments increased unemployment and unemployment increases arrests, the payments produced a side effect that wiped out the direct arrest averting effects.⁴⁷

The work disincentive effect of the TARP program was not found in the LIFE program because, as previously indicated, the payments in LIFE were not reduced by earnings from employment. Instead they were stretched out over time and the participant never lost his full entitlement. In TARP, however, the regular rules of unemployment insurance resulted in employed participants permanently losing funds they would otherwise have received. The evidence is clear and strong that these administrative arrangements produced greater unemployment and considerably longer average times to first employment among experimentals than among controls.

Thus, the TARP findings are consistent with those from the LIFE program: where there was no administratively induced work disincentive, transitional aid payments did reduce arrests for property crimes. Indeed, the TARP payments had a similar, but weaker, effect on non-property arrests.

Another element of consistency between the two experiments is the finding that employment is associated with decreases in post-release arrests. In fact, in TARP this relationship was stronger than that between the financial aid and reduced recidivism. It is also interesting to note that

47. Ibid., I, p.21.

employment in the TARP experiment was associated with fewer non-property arrests. Finally, the TARP group that received job placement services did not experience any more employment than the control group, which received no TARP services of any kind.

In summary, the LIFE and TARP experiments both demonstrate that financial aid to ex-prisoners for a transitional period immediately following release can reduce the number of re-arrests that would ensue otherwise. Employment has a similar, but even stronger effect on re-arrests. The financial aid, however, is a potential disincentive to employment, and its net impact on recidivism can only be realized if this disincentive effect is blocked.

4.4 Reflections on Recent Research

It is clear from our review of recent evaluations that employment program models for high risk youth and ex-offenders vary greatly in terms of the scope and intensity of vocational efforts. Toborg suggests that job readiness training, counselling and placement services constitute the majority of such programs.

Among the programs considered in recent impact evaluations, CEP provided the least intensive vocational services, consisting largely of once-a-week vocational counselling, in spite of the existence of a job development component. The Job Corps must be considered far more intensive, because of

its longer-term, residential design. The services provided were also more intensive than those offered by CEP (educational and vocational training, skills development--sometimes involving on-site worker presence--and counseling). Yet both programs are clearly efforts to upgrade the human capital of participants. While sharing the human capital orientation of other vocational programs, supported work provides the most intensive employment model, offering a full year of within-program employment experience for severely disadvantaged populations.

Program services in the programs reviewed were generally aimed at two distinct program populations--disadvantaged youth and ex-offenders (supported work also provided services to ex-addicts, a population which often has extensive criminal-justice involvements). The CEP evaluation suggests that high risk youth may be a difficult group for whom to provide vocational services. For youth, being employed at the time of a first interview was not necessarily a good predictor of employment at the time of the second interview, although such a relationship is expected in samples of adults. The CEP evaluation found that high risk youth are extremely erratic in their work histories, and particularly in need of vocational and educational upgrading.

Although the Job Corps evaluation concurs about the vocational disadvantages of their young population, it suggests that young program participants do respond to vocational services in supportive, residential settings. The extremely high drop-out rate in the Job Corps, however, might be noted as supporting the CEP contention that young program participants display unstable work--and program--behavior. MDRC, in assessing post-program employment, found that youth were "less stable in jobs once they get them than the ex-addicts and ex-offenders, and far less stable than AFDC women."⁴⁸The fact that MDRC expanded services for the youth cohort to include remedial education and skills training suggests a belief that intensive human capital upgrading is particularly appropriate for high risk youth.

The employment problems of older ex-offenders, on the other hand, may be as tied to employment barriers for such groups as they are to lack of skills. Surveys of employment programs point repeatedly to statutory limitations on ex-offender employment and employer reluctance to hire ex-offenders. The LIFE and TARP evaluations suggest that ex-offenders are particularly disadvantaged in terms of employment immediately after release. They have limited resources with

48. MDRC, Summary and Findings, Ch. VI, p.2.

which to finance a job search and are further burdened by an obvious, lengthy gap in their employment history. In addition to financial aid to released prisoners, extensive job development and placement efforts for ex-offenders are called for repeatedly in surveys of program literature.

The results were mixed for the recent impact evaluations reviewed, in terms of both effects on employment and recidivism. CEP reported no impact on employment or recidivism. The Job Corps evaluation showed a significant impact on the post-program employment and earnings of experimentals in contrast to the comparison group; the impact was particularly strong for program completers, following a brief lag after leaving the program, and women. Both Wildcat and MDRC reported positive impacts on the employment activities of ex-addicts; the MDRC evaluation showed no impact on employment for youths and ex-offenders.

For those groups for whom there was a reported impact on employment (Job Corps youths and ex-addicts in supported work), evaluations also reported a positive impact on recidivism. For other groups, for whom there was no program impact on employment (CEP youth, MDRC youth and ex-offenders) there were no reported impacts on recidivism. The relationship between employment and crime suggested by this concurrence of impacts, however, is far from clear cut.

The evidence concerning linkages between employment and crime in the recent program evaluations reviewed is mixed. Both the Wildcat and TARP evaluations point to an association between employment and reduced criminal activity. In Wildcat, among both experimentals and controls, those who worked over 18 months in the three-year study period were arrested significantly less often than those who worked less than 18 months. The study of TARP also found that employment had a strong effect on re-arrests, but that financial aid, as structured in the Georgia and Texas experiments, served as a disincentive to employment. The MDRC evaluation, however, did not find an association between employment and reduced crime: ex-offender and youth experimentals, during participation in program-based employment, demonstrated the same amount of criminal activity as controls. Furthermore, although the Job Corps evaluation reported positive impacts on both employment and arrests for the experimental group, part of the impact on arrests resulted from "social control" efforts and the impact on arrests was apparently strongest for early program dropouts (a group who received few employment-related benefits through program participation and who displayed the weakest post-program employment).

There is no clear-cut evidence about the relationships between employment and crime in these types of program contexts. And if it is the case that employment is associated

with reductions in crime, as suggested by some of the evaluations reviewed, there is still much to be learned about how to increase the rates and lengths of employment for youth and ex-offender groups.

Despite the recent spate of methodologically sophisticated impact evaluations, many questions remain unanswered about program impacts on employment and the impacts of employment on criminality. For example, impact evaluations generally tell us little about the experiences of participants within the program. Is program employment typically seen by participants in the same terms as unsubsidized employment, or is it discounted as a "trial run?" Are high program dropout rates related to participant perception of potential program ineffectiveness or (as currently suggested) are they representative of participant instability?

There has been an increasing awareness among program evaluators of a need to supplement the findings of an impact evaluation with a qualitative overview of program functioning in the form of "process evaluation," although the meaning and format of such evaluation vary considerably. There are, in fact, two distinctly different kinds of process evaluation. MDRC, for example, currently has plans for a process evaluation, the "process documentation analysis," to supplement its impact evaluation. They describe this ef-

fort as including "a qualitative assessment of variables in the local projects...differences in the quality of leadership; types of job creation, placement and funding strategies; and the geographic, economic, and political environments in which the program operated."⁴⁹ Process evaluation, in this form, can tell us a great deal about whether and how programs actually deliver the services called for in the program design and can explain program factors involved in program impact.

There is another sense in which the term "process evaluation" is generally used. In this second sense, the term refers to the interaction between program elements and the sociocultural, social-psychological and economic processes that are believed to produce unemployment, criminal behavior, or both. Program evaluations which include this type of formal "process evaluation" are rare indeed, but they offer an opportunity to learn more about the phenomena which programs must change to realize their objectives and about the nature of program effects on relevant aspects of the participants' life. The Baltimore LIFE evaluation attempts to get at this type of evaluation in its four in-depth case studies of the post-release experience of participants. The case study volume stands as a companion to the impact evaluation findings. The participant case studies

49. Ibid., Ch.1, p.5.

point to the influence of family ties and peer group pressures in a day-to-day context, providing a portrait of the problems of re-entry for the prison releasee. The Wildcat evaluation contains a similar but smaller effort to present a qualitative image of program participants, but provides less detail concerning the role of the program experience within the overall context of individual lives.

In this broader sense, process evaluation permits not only inspection of interactions between program personnel and clients, but also helps describe the phenomena that programs are trying to change, as well as the social psychological and political processes into which they intervene. Process evaluations may also expose overly abstract theoretical models--human capital theory, theory of economic choice--to the tests afforded by the concrete, experiential contexts within which participants and programs interact.

In addition, none of the research reviewed in this chapter addresses the larger questions of the economic forces that produce jobs and the labor market factors that place people in jobs. Programs are often built on a series of assumptions about how these processes work, but those assumptions are often not applicable to the employment experiences of program participants. Job readiness training, for example, coaches participants on how to go on job interviews, read want ads, search for work, etc. Yet research has shown that most jobs are not found through formal means,

such as want ads and employment agencies, but instead through informal networks of family and friends.⁵⁰ Programs have not as yet been based on how labor markets really operate.

Recent impact evaluations also tell us very little about efforts to remove barriers to ex-offender employment and efforts to make post-program employment more available or more rewarding. We know little about program impacts on labor markets; yet it appears that, in spite of attempts to upgrade the human capital of participants, most program graduates still move into relatively unskilled, low-level jobs--basically secondary sector employment.

Our review of such employment in Chapter II suggests that variations in human capital do not offer a sufficient explanation of employment outcomes in the secondary labor market, and that the dynamics of employment in this market may not be particularly sensitive to such differences. For example, consider the job instability found in the impact evaluations reviewed. SLM theory suggests that this instability may be characteristic of the jobs participants move into--intrinsically short-term, dead-end, secondary jobs--rather than an indication of individual performance. Pro-

50. See, for example, Marcia Freedman, The Process of Work Establishment (New York: Columbia University Press, 1969); and Herbert E. Meyer, "Jobs and Want Ads: A Look Behind the Words," Fortune, November 20, 1978, pp.88-96.

gram efforts may be based on assumptions applicable to the primary labor market, while making little effort to overcome structural barriers and facilitate entry into primary jobs for participants.

In considering the rather meagre returns to vocational program efforts for youth and ex-offenders, it may be important to recognize that programs have yet to attempt any extensive upgrading of job opportunities for these groups. Early NAB-JOBS* efforts to place severely disadvantaged clients in primary sector employment were quickly dissipated by the economic decline of the 1970's. Affirmative action requirements, to some extent, represent efforts to affect structural labor market barriers, yet ex-offenders are not likely to share immediately in affirmative action gains, at least by virtue of their offender status. Such efforts in any case can only place previously excluded groups into already existing employment. They do little about upgrading the structure of employment opportunities for the hard-core unemployed as a whole.

A review of manpower programs in a criminal justice context makes it clear that SLM theories and perspectives have not generally been incorporated in program designs. Although most of the policy implications currently drawn from SLM are targeted at the macro-level, it is possible to conceive of some smaller scale efforts that would not be inconsistent with such theory. Training programs for hard-

*National Alliance of Bussinessmen.

core unemployed populations specifically directed at given areas of recognized labor shortage, if such programs can be delivered effectively, might significantly enhance placement in relatively skilled jobs. Efforts to eliminate labor market barriers for groups such as minorities and ex-offenders, who currently face structural impediments to employment are also consistent with SLM.⁵¹ From an SLM perspective, current manpower programs place too much emphasis on improving the human capital of participants and give too little consideration to the labor markets within which program graduates move. It should be recognized, however, that even SLM oriented program strategies are limited in the extent to which they might be capable of providing sufficient numbers of primary jobs for those that want them.

Our review of impact evaluations also suggests that we may need to pay more attention to the characteristics of youth labor market behavior in manpower program design. Impact evaluations criticize repeatedly the job holding instability and erratic work histories of high risk youth. To some extent, this behavior may be related to the nature of

51. For a review of these issues, see U.S., Department of Labor, Office of the Assistant Secretary for Program Evaluation and Research, "Employer Barriers to the Employment of Persons with Records of Arrest or Convictions," by Neal Miller, Washington, D.C. May 1979. (Mimeo.)

jobs in which they are placed. Yet it is also possible that what looks like erratic work behavior to an outside observer may be an intrinsic part of the process of work establishment for young people engaged in a long-term exploration of their employment options. Given an awareness of the many facets involved in the experience of "maturation," discussed in Chapter Three, the program perspective may be too limited a viewpoint from which to evaluate youth labor market behavior. If programs were to expect job exploration and rejection as an intrinsic part of work establishment, job placement and job stability alone could not be viewed as adequate measures of program success. Nor would a series of short-term jobs and employment transitions necessarily be cause for "negative termination."

An awareness of the exploratory nature of most youth employment experience might lead youth employment programs to revise their program goals. Instead of seeking simply to provide youth with a work experience, these programs might set the entire process of work establishment as their target with youth. In so doing, the program design would recognize the exploratory and volatile nature of work experience in the late teens, and would provide for longer-term support featuring different types of intervention at different points in time in order to aid youth in their explorations and provide relevant skills when they show interest and aptitude.

In summary, a number of the themes developed in our review of program literature reinforce themes developed in the empirical literature reviewed in Chapters Two and Three. Our examination of literature related to employment and crime leads us to believe that manpower programs for high-risk youth and ex-offenders need to be based on broader knowledge of the social, psychological and economic processes into which programs intervene. We need to know more about what kinds of jobs are available in high crime communities, how they are valued and defined, what people expect to derive from them other than their daily wage. We also need to know more about the nature of stable employment in environments where primary employment is the exception rather than the rule. Finally, we need to know more about the kinds of criminal activities engaged in in these communities--what residents derive from them, the extent to which they vary with patterns of legal employment, and how the relationship between legal and illegal involvements are viewed by the participants (the community perceptions of the nature of the tradeoffs between crime and employment). Only with such an expanded base of knowledge can we significantly advance our presently limited understanding of the possible impacts of enhanced employment opportunity on crime.

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The American University Law School
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 "Employment and Crime Project"

"CRIME AND EMPLOYMENT ISSUES"

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1978

Prepared For:

The Office of Research and Development
 Employment and Training Administration
 U.S. Department of Labor

UNEMPLOYMENT AND CRIME:
 A SOCIO-ECONOMIC APPROACH

BY

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GAIL S. FUNKE is an Associate Director and economist at the Correctional Economics Center, an organization which has for the past four years been analyzing the economic cost effects of the criminal justice system decisions and activities. Prior to coming to the center, she taught economics at Hunter College and Rutgers University. She holds a B.A. and M.A. in economics and is currently a PhD candidate at the City University of New York. Her major publications which she co-authored with Billy Wayson have been widely used by policy makers and planners in the United States and include the following: Implementing Criminal Justice Standards for Corrections, American Bar Association, 1976. Comparative Costs of State and Local Facilities, American Bar Association, 1975; "Corrections and the Community" in Law in American Society, 1975; American Society, 1975; The Costs of Jail Standards Compliance in Washington State, American Bar Association, 1975; Cost Analysis of Community Correctional Centers, American Bar Association, 1974; and Local Jails: The New Correctional Dilemma, Lexington Books, 1971.

I Introduction

The purpose of this paper is to suggest there is indeed a relationship between unemployment and crime which, if not addressed in a major policy effort, will endure.

There exists some correlation between unemployment and crime: whether viewed on a macro level, wherein high rates of unemployment appear to be followed by later increases in crime and conviction; or a more micro level, wherein many new offenders have never been employed, have been underemployed, or have only been briefly employed. Transforming such correlations into causal statements (i.e., unemployment creates crime), often in the form of planned new construction, carries substantial implications. If a causal relationship exists, the practice of building lacks merit on two grounds: (1) it is only a treatment of symptoms and (2) should unemployment (and therefore crime) fall, a misallocation of resources will have taken place. If there is no causal relationship, then a misallocation of resources will still have taken place, one with very long-term effects.

It may be as informative to state that unemployment causes crime as that crime causes unemployment. A variation of the latter statement is the focus of this paper. If persons are believed to commit crimes because of the unavailability of legal sources of income, then a criminal history should exacerbate this tendency. Stigma, licensing and bonding restrictions, and requirements of "good moral character" only serve to narrow the set of legitimate employment opportunities. To the degree that training, education and other "rehabilitative" correctional programs do not train or educate, prepare an individual for declining or restricted occupations or, fail to provide facilitative skills, this is "causing crime." When contact with the criminal justice system creates job, education or training interruption, similar results ensue.

The intent is not to be facile. Rather it represents an attempt to look behind the broad issues of unemployment and crime and consider whether allocating more resources to correctional efforts as currently practiced is the correct response, the only response, or no response at all. It may be that a non-traditional allocation is warranted, a redirection.

Institutional corrections has expanded its mandate beyond removal of an individual from society to the provision of services and programs to promote personal change. Counseling, education, vocational rehabilitation, industries and work-release activities are undertaken with the intent of reducing further tendencies toward criminal behavior. These efforts are meritorious and probably work for some. The purpose here is not to say that such activities are meaningless, but rather that their present framework is incapable of producing a broad-based effect.

II What Do We Know?

Much has been learned about factors relating to unemployment generally, characteristics of entering and leaving prison populations, and the results of programs designed to assist these populations.

Why People are Unemployed - A gross, nationwide unemployment rate of 7.7% (for 1976; 7.0% for 1977) tells very little about the characteristics of that unemployed population. Yet, to the degree that these characteristics are manifest in the potential and accused offender populations, they merit examination.¹

1. Age - Young people, aged 16-19, typically experience the highest unemployment rates. The year 1976 was no exception, with this group averaging 10% unemployment -- over twice the national average.
2. Race - Blacks and other non-whites average almost twice the unemployment rate of whites. In 1976 the rates for black males and females 20 years and older were 11.7% and 11.5% respectively, vs. 6.2% and 7.5% for their white counterparts. The rate for blacks aged 16-19 was 36.9%, twice the overall rate for that group and over four times the national average.
3. Occupational Training - Several occupational areas exhibited higher unemployment rates than the national average. To the degree that such occupations represent an individual's sole area of training, expertise or experience, such a person is more likely to be unemployed. For 1976, the prevalent occupations were: Operatives (except transport) -- 14.7%; non-farm labor -- 15.6%; and service workers -- 8.6%. The highest employment occurs in the white collar and professional occupations (4.7% unemployment). The occupation within this category with the most unemployment was clerical work, at 6.6%.

The prospects for long-term unemployment were higher for these occupations as well. Of operatives, 20.5% of those unemployed in 1976 had maintained that status for 27 weeks or longer; 14.1% of craft workers; 15.1% of clerical workers and 12.5% of workers providing services. The lowest long-term unemployment rate (3.7%) was incurred by sales workers.
4. Industry - The choice of industry by a worker may affect his/her chances

- of finding work. Construction and manufacturing exhibit the highest levels of industry unemployment, at 18.1% and 10.9%, respectively (1976).
5. Education - The difference between completing high school and dropping out is reflected in the kinds of employment obtained by these groups. The majority of high school graduates (46.9%) aged 16-24 years, found employment in white collar occupations, while only 10.1% of dropouts did. Blue collar occupations were dominated by the dropouts (59.1%), as were services (22.5% vs. 15.3%). Since unemployment is highest for those occupations frequented by high school dropouts, an incomplete education disproportionately increases one's chances of being unemployed.
 6. Remuneration - Many of those unemployed have been offered jobs which may have been turned down for a variety of reasons, one of which is pay levels. Twelve percent of a representative group of 53,000 unemployed stated that \$100 or less per week was acceptable to them. Sixty percent said they would accept earnings of \$100-\$199 per week. So, approximately 88% of the unemployed will not work for less than \$5,000 per year, and 28% will not work for less than \$10,000.
 7. Job Search Methods - Of the several methods available for securing a job (public or private employment agencies, friends and relatives, direct contact with employer and placing or answering ads, a survey of unemployed revealed that less than two of these methods were used. For persons aged 16-19, less than 18% used public employment agencies while 30% of older individuals did. Usage by this age group of private agencies was also lower. Overall, blacks used public employment agencies more than whites; whites were more likely to contact employers directly and to place or answer newspaper advertisements. Among females, both black and white, the practice of using a friend or relative was one-third less prevalent than for males.
 8. Work Experience - Although no detail is currently available, 6.4% of those unemployed in 1976 had no prior work experience. This group would include new entrants to the labor force, such as housewives and teenagers and possibly some ex-offenders who had not worked prior to conviction and incarceration.
 9. Vietnam-era Veterans - Only recently recognized as an emerging problem, Vietnam veterans aged 20-24 years experienced a 19.8% unemployment rate for 1976. For non-vets in this age group, the average was 13.4%; these differences do not disappear until the 30-34 age bracket is reached.
 10. Other Exclusions - These relate to criteria that are not necessarily job or skill related. This includes bonding and licensing requirements which may exclude trained and otherwise qualified individuals from obtaining work.

We know about institutional populations and that they reflect many of the preceding characteristics: youth (40% of arrestees are under 21² and 27% of all state inmates are under 24³); low educational attainment (although I.Q.'s are not significantly lower⁴); occupational training (a recent survey of Federal releasees revealed that 50% had unskilled or service jobs prior to incarceration, and, the inmate population is overrepresented in laboring jobs⁵). Generally, incoming prison populations are characterized by unemployment, lack of a regular work history, low pay and "intermittent and low status work patterns."⁶

Programmatic efforts have done little to alleviate these problems. Educational, counseling, vocational and other work related services are available, but not used by all. Looking particularly at prison work and vocational programs, a 1972 survey identified only 12,900 inmates enrolled in 855 vocational programs offered at 202 institutions. Fifty percent of the institutions offer five or less vocational programs.⁷ An earlier survey estimated that 5% of all inmates receive institutional training and 20% were enrolled in educational programs.⁸ This survey of major training areas⁹ disclosed not only a preponderance of laboring and blue-collar jobs, but some misalignment with growth fields as identified by DOC's Occupational Outlook. Of the occupations listed which permitted comparison with Occupational Outlook, 20% will exhibit no growth or below-average growth through 1985; another 40% will experience average growth. All right perhaps, for the non-criminal applicants -- more difficult for an individual with a conviction record.

Pownall discovered that much prison work was oriented toward combating idleness or maintenance of the institution, and that job-related skills (work habits, job-search training, interviewing) were largely absent.¹⁰ Prison industries, by and large, are labor-intensive and less than perfectly related to industrial needs and skill requirements which characterize the world awaiting the released offender.¹¹

Programs for released or almost-released offenders have brought little relief. In gross terms, the cost has been great and the impact small. Supported work, for example, has turned out 3,462 "graduates" of which 25% found work, at a cost of \$62 million.¹² Work release is generally a placement program for those skillful enough to obtain employment. Participation is low, and the programs usually ignore the larger population in search of job and facilitative skills.¹³

A released offender carries with him/her most of the educational, vocational and behavioral characteristics exhibited prior to incarceration or other disposition. In addition, time away from the marketplace has also elapsed; and, now a criminal record is present. Post-release employment tends to be part-time, in semi-skilled capacities; in addition, only one-third of ex-offenders trained

during incarceration obtain related employment.¹⁴

When economists speak of the problems of unemployment, two commonly cited concerns are deterioration of skills (for those unemployed) and underemployment (persons working, but producing less than their potential marginal product). Underemployment, besides reducing aggregate output, typically provides less income to the worker than does full employment. Part-time crime is one method of supplementing income. This effect is as insidious for criminal activity as for human capital generally and its presence mitigates the apparent success of job placement activities.

Unemployment, in addition, does not always imply a total excess of applicants over jobs (supply greater than demand), but lumpiness in the job market -- an absence of qualified individuals for available jobs.

The solution to this (or any) malaise ideally should be of such a nature that even if the assumptions are wrong, participants should be no worse off for the action taken. If unemployment and crime are related (in both the senses cited above), then planning for crime during periods of high unemployment will result in wasted resources should unemployment (and therefore crime) decline. If they are not related, then whatever is done makes no difference. While this may seem drastic, the issue here is unemployment and criminal activity, not generally whether programs and services should be provided to correctional clients, but why they are being provided.

A Prelude to Action - None of this is to say that such efforts are meaningless; rather, they are merely scratching the surface and indeed, can do little more in their present structure. Vocational efforts within prisons, with exceptions such as license plate production and other state-use industry endeavors, are of a horizontal, non-integrated nature. That is, they tend to be isolated training efforts in different occupational areas, concentrating on a particular skill level rather than the many skills (or efforts) required for a total production process. Skill levels are varied through the kind of occupation for which training is provided, rather than through different jobs in the same process. As such, one outcome is the underdevelopment and underutilization of the skill levels of much of the population.

Others have recognized the social value of meaningful work; they speak to its absence:

Social scientists identify four ingredients of alienation: (1) powerlessness (regarding ownership of the enterprise, general management policies, employment conditions and the immediate work process), (2) meaninglessness (with respect to the character of the product worked on as well as the scope of the product or the production process), (3) isolation (the social aspect of work), and (4) self-estrangement ("depersonalized detachment," including boredom, which can lead to "absence of personal growth");¹⁵

Moreover, a growing body of research indicates that, as work problems

increase there may be a consequent decline in physical and mental health, family stability, community participation and cohesiveness, and "balanced" sociopolitical attitudes, while there is an increase in drug and alcohol addiction, aggression, and delinquency.¹⁶

Consequently, if the opportunity to work is absent or if the nature of work is dissatisfying (or worse), severe repercussions are likely to be experienced in other parts of the social system.¹⁷

and its presence:

... the functions of work; its centrality in the lives of most adults, its contribution to identity and self-esteem, and its utility in bringing order and meaning to life. Work offers economic self-sufficiency, status, family stability, and an opportunity to interact with others in one of the most basic activities of society.¹⁸

Work contributes to self-esteem in two ways. The first is that, through the inescapable awareness of one's efficacy and competence in dealing with the objects of work, a person acquires a sense of mastery over both himself and his environment.¹⁹ The second derives from the view, stated earlier, that an individual is working when he is engaging in activities that produce something valued by other people. That is, the job tells the worker day in and day out that he has something to offer. Not to have a job is not to have something that is valued by one's fellow human beings. Alternatively, to be working is to have evidence that one is needed by others.²⁰

So the work experience, because of its centrality in our lives, has the potential of producing dramatic social effects. The devastating negative possibilities cited above represent what corrections has taken as its mandate to overcome.

What is being suggested here is not to scrap correctional work, education and other programs because they do not work, but restructure them so they do work.

III The Correctional Employment Model

The model proposed here is designed to simultaneously maximize social and economic benefits through a restructuring of the prison work experience. As presently structured, correctional industries are saddled with conflicting objectives: combating idleness, providing productive work opportunities and realizing a profit. The first and last are nearly mutually exclusive under current practices; in addition, there is little evidence that the arrangement contributes to positive social attitudes.

The model would remove entirely the work, training and educational functions from correctional purview and place them within a single organization: privately managed, inmate-operated, with participatory management, wage rates which correspond to productivity, and profit-sharing. A private-sector, profit-making firm would operate within prison walls; this new orientation is toward profit and worker* self-determination.

That the educational, training and counseling functions be subsumed under this employment model is neither illogical nor unusual by private-sector standards.

* A useful nomenclature is suggested: inmates are referred to as workers, or correctional workers; correctional staff refer to the non-inmate population.

Many elements of the correctional setting are mirrored in large-scale, private enterprises. Companies provide, for example, drug and alcohol programs to their employees; educational opportunities (not all directly job-related) are made available either through the company or via reimbursement schema; on-site recreational facilities are not uncommon.

The major distinguishing characteristic between the production activities of the private firm and the correctional institution is the profit orientation. Activities undertaken by a private firm, both in terms of the production process and ancillary services (see above), take place to ensure a stable work force, uninterrupted production and profit. The focus, or rationale is more short-sighted. Many similar activities occurring in correctional settings have seemingly longer-term goals -- changes in behavior which will endure after the "employee" leaves the "organization." If it is possible to restructure correctional activities so that such long-term goals (whose achievement is unknown) are left unaffected at the same time that more positive benefits accrue in the short-term, then reallocation is appropriate.

These suggestions may require some changes in perception about the function of a correctional institution and what its clients do while they are incarcerated. Too, the private sector "intrusion" may concern some. However, there is no overriding reason for corrections to run (in the top management sense) such an operation. Correctional managers and line staff are not entrepreneurs and in any case have enough responsibility in managing the institution. The clear production and profit orientation brought by a private entrepreneur is necessary to maintain the distinction between security and production activities. The profit accruing to the firm varies little from fees and indirect costs now charged by organizations providing services to correctional clients and agencies.

Since corrections, as other public sector activities, does not operate under a market model, it may be appropriate to address first the differences which may be present. It may be argued, for example, that corrections is one of those goods, the production of which Adam Smith and others suggested be removed from the private sector. Actually, the major relevant correctional functions are provision of security and safety for both inmates and the general population. These functions would continue in the domain of correctional management and would in no way be compromised by the existence of a profit-centered industries effort. Again, the orientation is the only element affected; arguments which pertain to the "captive" population may be addressed in much the same way.

Other implications for the production process do arise, however, when one considers the existence and nature of an in-house population. First, there is

no "free" selection of the labor force. This "given" labor supply, often in excess of institutional needs, has had the potential of reducing production processes to less than optimum, in order to accommodate it. It is suggested here that the labor force does not have to dictate such selection of production process. The private market is not perfect either, and not all jobs are filled with ideal workers; on-the-job training and general education are used to ease such incompatibility. The approach, again, is positive, as problems are seen as capable of solution. Excess labor problems, should they arise, may be partially handled through training, i.e., at any time a certain proportion of the inmate population is preparing to work (and will, before release). Turnover, while not necessarily of a higher rate than for many private firms, may produce some inconsistencies of supply and demand. However, exit patterns are known (not always the case for the firm) and can largely be handled through the training pool. Admissions may be managed through screening and training by "inmate faculty."

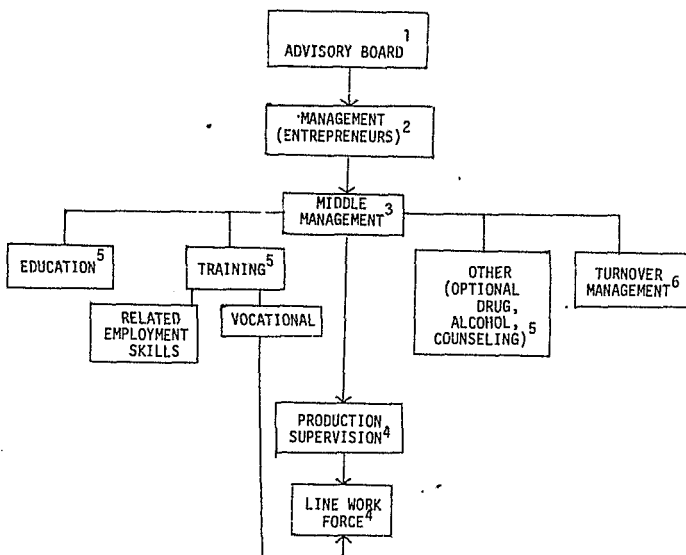
State-use and interstate commerce considerations are not insurmountable problems. While the precise approach would depend on the state, there are additional state-use markets (and shares of current markets) that could be serviced by such an enterprise. To the degree that correctional activities become more self-sufficient (see below), there may be more willingness to entertain change (consider local-use, for example).

The Structure - Given the orientation and the major worker role, it remains to address some broad characteristics of the production process, a possible organizational structure and the benefits to be expected from this model. In general terms, the choice of a firm should emphasize production requiring as broad a complement of skills as possible -- from cleaning machines to marketing the product or service to providing R&D. Promotion within the ranks should be possible as well as job exchange.

The following brief schematic presents an overview of a possible organizational structure. A board, consisting of worker's representatives and management advisors, would accept input from workers and provide advice on the production process. To the degree necessary and useful, representatives from institutional staff might also serve on this board. Top management would be comprised of private entrepreneurs. Beyond that, the operation would be essentially worker-run, with guidance provided during start-up and on an as-needed basis once the system was underway. More detail internal to the operation is deliberately omitted here and elsewhere, since the overall concept is our first consideration.

Some Positive Factors - Besides the opportunity to put industries on a

paying basis, and the larger worker role, other elements make this a potentially desirable undertaking. The use of a fairly complex production process (or processes) provides greater opportunity to involve and develop all skills present in the population -- laborer, supervisor, salesman, middle manager, trainer -- and often a set of transferable skills (sales, bookkeeping, training, etc.). Worker development is enhanced by the break from blue-collar, single-



1. Includes managers and workers
2. Private, profit-making firm
3. Workers; includes functions such as bookkeeping, accounting, possibly R&D, sales, scheduling, etc.
4. Workers
5. Worker-managed, staffed by civilians as necessary
6. Worker-managed, possibly a middle management function

level training and work experience and the involvement in an organization with positive goals. Competitive pay should provide additional incentives and allow opportunities to provide for support of dependents as well as accumulate some cash reserve for post-release job-hunting. As pay scales stand now, many are too low to encourage widespread participation or highly productive efforts. Arrangements which permit workers to "purchase" room and board are possible and add an additional layer of realism to the model. Many institutions, for example, are characterized by more than one kind of housing: dormitories, single cells, cottages, etc. Within security constraints, as necessary, some choice could be

introduced. Similar possibilities exist for food service operations, including both the kind and number of meals. Other extensions and variations are possible.

Most important, the approach represents an alteration in the institutional environment from a system of sanctions to a system of incentives -- emphasizing productive, rather than compliant activity.

Some other countries regard imprisonment as, yes, a punishment, but also a hiatus in an individual's otherwise productive life. Emphasis is placed on maintenance of skills and contact with the outside world to reduce the effects of the "interruption." This is possible here, even if no skills are immediately apparent. In this case, we also would be promoting the assumption, as well as the resumption, of a productive existence. If unemployment causes (initial) crime we are helpless without an effort which transcends corrections. If crime -- conviction and incarceration -- causes, or does nothing to alleviate unemployment, we are in a position to act. In fact, we are the only ones who can.

Footnotes

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**SUMMARY AND
FINDINGS OF THE
NATIONAL
SUPPORTED
WORK
DEMONSTRATION**

**THE
BOARD OF DIRECTORS
MANPOWER
DEMONSTRATION
RESEARCH
CORPORATION**

MDRC



The Benefits and Costs of Supported Work

The discussion in the preceding chapters shows that supported work produces a complex pattern of change in the employment, welfare payments, and criminal activities of individuals in the four target groups. It also shows that these effects are purchased at an average public subsidy cost of \$5,740 per participant. This chapter presents the summary results of an extensive study that attempted to quantify the outcomes of the program and to compare these figures to program cost, in an effort to answer the question as to whether in economic terms the benefits justify the expense.¹

Although this approach is useful in providing an overall assessment of supported work's effectiveness, it has limitations and risks. Certain important benefits and costs simply cannot be accurately measured and are therefore not included in the summary estimates. Moreover, this type of analysis calls for assumptions about the value of specific items and for judgments on the longer term extrapolation of benefits and costs that were directly measured only for up to 27 or 36 months. To reduce the risks of this kind of analysis, the research design developed two analytical frameworks: (1) a series of benchmark estimates that contain the researchers' "best guess" on each component of the analysis; and (2) a range of alternative estimates that indicate the sensitivity of the calculation to changes in key assumptions. In this way it is hoped that the reader will both under-

1. The more complete results of this analysis are presented in a forthcoming report by Peter Kemper, David Long, and Craig Thornton, *The Supported Work Evaluation: Final Benefit-Cost Analysis*, MDRC, 1980.

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stand the perspective presented in the data and the impact of alternative approaches.

Against this background, it is important to note that for three target groups the general trend of the results is remarkably unaffected by reasonable variations in the assumptions. For the AFDC women and ex-addicts, the benefits exceed the costs under all but extreme assumptions. For the youths, the contrary is true. But in the case of the ex-offenders, where the program's impact on employment and crime is unclear, the cost-benefit analysis, too, is inconclusive.

This chapter covers only the highlights of the research methodology and findings. A more detailed presentation will be contained in a forthcoming series of reports on the supported work research effort.

THE BENEFIT-COST METHODOLOGY

The benefits and costs of supported work were analyzed and are presented here from three perspectives: that of society as a whole; that of the supported workers themselves; and that of the rest of society, the nonparticipants, sometimes referred to as the taxpayers. The overall social perspective is the most comprehensive and seeks to present the value of the net gains or losses in total social resources associated with each participant's program experience and its effects. It addresses the question of whether society gains or loses goods and services as a result of the supported work program. In the social perspective, transfer payments that redistribute income among different groups in society (e.g., welfare payments) are not counted as benefits or losses, because they involve no change in overall resources.² However, such payments do enter into the participants' perspective, which looks at the gains and losses to the supported worker, and the nonparticipant perspective, which sees all program operating expenses as costs and welfare savings as benefits.

From the social perspective, supported work's costs include all the expense of operating the local programs, with the exception of supported workers' wages. Other costs include the administrative cost to the Manpower Demonstration Research Corporation (MDRC) for monitoring local operations and giving them technical assistance, the output the participants would have produced had they not been employed in supported work, and additional child care costs related to the AFDC women's increased employment.

2. Reductions in welfare administrative costs that accompany a decline in benefits are, however, a social benefit.

Social benefits include the output produced by the supported workers while they are in the program; increases in their post-program earnings; reductions in criminal activities; and savings from reduced participation in other employment, training, or drug treatment programs. Estimates of the value of in-program output were based on the detailed examination of a sample of 44 work projects at sites with random assignment. Estimates of the program's impact on employment and other behavior were based on comparisons of the activities of experimentals and controls as reported in interviews with the research sample. For the employment results, the earnings data could be used directly. To assess program impact on criminal activity, the benchmark estimate was arrived at from arrest data collected in interviews with participants, which were then adjusted to offset underreporting. The adjustment was based on a comparison of data provided in the interviews with police arrest records for a sample of individuals. The benchmark calculation was further refined by separate estimates of reductions in property damage and personal injury, stolen property, and criminal justice system costs.

Developing an estimate of the supported work demonstration's behavioral impacts over time (and most critically for earnings and criminal activities where the impacts were the largest) confronted the researchers with two complex analysis tasks: finding an appropriate number to represent the demonstration-wide impacts for months 19 through 36,³ for which information was available only for certain subsets (cohorts) of the sample; and estimating the extent to which impacts observed during those months would extend into the future.

Estimations for Months 19 through 36

As discussed previously, the supported work data suggests that employment impacts were largest for the early enrollees—the group whom researchers followed longest. This seems partially a result of the effect that the then continually improving labor market had on the employment opportunities of the control group. Because about 50 to 85 percent of the sample in each target group was assigned a 27-month interview (see Table 3-1), data from that sample were considered sufficiently typical of the overall sample to be used directly in the benefit-cost estimates for those months.⁴

3. Months 19 through 27 for the AFDC sample.

4. For the AFDC group, however, where the 27-month follow-up was given to the smallest share of the total sample, and where it also served as the base for extrapolation because there were no 36-month interviews, one of the sensitivity tests combined the 18-month and 27-month cohorts to derive a lower estimate of program impacts.

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However, when it came to the ex-offender, ex-addict, and youth groups in the 28- to 36-month period after random assignment, the sample was judged to be too small to have confidence in it as a base for extrapolating benefits into the future.⁵ Instead, a procedure was developed to provide an estimate that was more representative of the experience of the full research sample and that would neither disregard the findings observed for the small 36-month cohort nor give it undue weight in assessing impact on the larger sample. Thus, behavioral changes for this period were based on a weighted average of the 19- to 27-month changes for the 27-month cohort and the 28- to 36-month changes for the 36-month cohort. In addition, sensitivity tests examine whether the results would differ under more generous or conservative assumptions.

Extrapolation

Most costs occur while participants are enrolled in supported work, but benefits extend into future years. Even though extrapolation involves some degree of inherent uncertainty and the need for some nonquantifiable judgments, a realistic analysis cannot make the extreme assumption that there is no programmatic impact after the last interview. Thus, a number of assumptions were adopted to develop the benchmark estimates of future benefits, and the impact of alternative assumptions examined in sensitivity tests. First, the 28- to 36-month weighted average impacts (and the 19 to 27-month impacts for the AFDC women) were used as the base for extrapolation. Second, benefits were assumed to extend over the period of a typical working life, as provided in population tables. Next, relying primarily on one of the few studies of the long-term impacts of employment programs, benefits were assumed to decay over time from the base period values at a rate of 50 percent every five years for the ex-addicts, ex-offenders and youth, and to continue nominally unchanged for the AFDC women.⁶ Finally, all benefits and costs beyond the initial 9-month period were converted into present values on the basis of a real (i.e., inflation adjusted) discount rate of 5 percent per year.

5. Of those groups, 33 percent of the ex-addicts, 22 percent of the ex-offenders, and 16 percent of the youths were assigned these interviews.

6. This is based on a study by Orley Ashenfelter of participants in the MDTA program. See Orley Ashenfelter, "Estimating the Effect of Training Programs on Earnings," *Review of Economics and Statistics*, LX (1978): 47-57. The benchmark assumptions on the decay of nominal earnings are equivalent to a 3 percent per year decay in real earnings differentials for the AFDC women and a 17 percent per year decay in real earnings for the other target groups.

Unmeasured Costs and Benefits

Even this complex methodology could not cover all program effects. For example, the estimates do not include the psychological benefits of employment of the supported workers, or of the reduction of criminal activity to society. Nor do the estimates include as a benefit the extent to which supported work fulfills society's clear preference for providing employment for youth and substituting work for welfare or other transfer payments as the source of income for disadvantaged people. In addition, there is no quantification of the benefits to the children and other family members that accompany the increased employment of the supported workers both during and after the program. There is also no estimate of the possible benefits or losses to the children of AFDC women that may result from different types of child care associated with their mothers' going to work. Finally, there is no assessment of the possible indirect effects of supported work on the total labor force—either the negative effects of displacement or the positive effects of an increased demand for low-skilled labor.

Some of these effects may be quite significant, and many of them are likely to be beneficial. Therefore, the data on measured benefits and costs presented in this chapter should be considered only a partial balance sheet. A more complete judgment of supported work will require an assessment of the importance of these additional unmeasured benefits.

THE BENEFIT-COST FINDINGS

AFDC Women

The first column of Table 8-1 summarizes the social benefits and costs during the first 27 months after random assignment, a period that includes nearly all of the program costs but not the full post-program benefits. The benefit-cost data for these first 27 months are particularly reliable, because they come directly from the experimental-control interviews and do not require extrapolation assumptions. Overall, the social benefits during this period are substantial (\$5,818) and come close to offsetting the social costs for each supported worker (\$6,606). The largest benefit is the value of the output produced by each AFDC woman while in supported work (\$4,520), which about equals the wages received by the women for their work in the program.⁷ Additional benefits

7. The average AFDC woman received \$4,856 in earnings and fringe benefits from the supported work program. Table 8-1, which is limited to social costs, does not include supporter worker wages, which are benefits to the participants, costs to the nonparticipants, and of no cost to society. This relationship between value of output and wages holds for all four target groups.

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Table 8-1. Summary of Social Benefits and Costs per Participant: AFDC Target Group

Item	Months 1-27	Total
Benefits		
Value of in-program output	\$4,520	\$4,520
Increased post-program earnings	1,028	9,193
Reduced welfare system administrative costs	137	811
Reduced education and employment program costs	133	608
Total	\$5,818	\$15,132
Costs		
Local supported work program costs ^a	-\$5,105	-\$5,105
MDRC central administrative costs	-270	-270
Foregone earnings of participants	-879	-879
Increased child care costs	-352	-728
Total	-\$6,606	-\$6,982
Net present value (benefits minus costs)	-\$ 787	\$8,150
Range of alternative estimates of net present value	n.a.	\$2,754 to \$9,732

Source: Peter Kemper, David Long, and Craig Thornton, *The Supported Work Evaluation: The Final Benefit-Cost Analysis* (New York: MDRC, 1980).

Notes: To correct for inflation, all dollar values have been measured in terms of fourth-quarter 1976 dollars. They have also been discounted (at a 5 percent annual rate) to the midpoint of the first 9-month period. Numbers may not sum due to rounding.

^aIncluding the cost of operating the work projects (e.g., supervision, materials, and equipment) and of program overhead, but excluding supported work wages.

flow from the increase in post-program earning. During this period (\$1,028).

Even though a net cost of \$787 remains after 27 months, the net present value becomes positive when extrapolated future benefits are included. The benchmark estimates presented in Table 8-1 show that supported work generates an estimated \$8,150 more in resources per participant than it uses up, primarily as a result of the assumed continued difference in the earnings of the experimentals compared to the controls.

As outlined earlier, these benchmark estimates were derived by the Mathematica researchers' use of their best judgment on a number of critical factors affecting the value of extrapolated benefits and cost and other assumptions. In addition, the benefit-cost study included a number of alternative estimates that place net bene-

fits between \$2,754 and \$9,732, depending on each assumption:⁸

1. The program impacts during the base period (months 19 through 27) and for the future were assumed to be lower, based on an average of the findings for the 27-month and 18-month cohorts (net present value = \$5,506).⁹
2. The program benefits were assumed to decay at a faster rate (50 percent in 5 years) (net present value = \$2,754).
3. Alternative "real" discount rates (3 and 10 percent) were used in estimating the net present value of benefits and costs (net present value = \$9,732 or \$4,639).
4. A much more conservative approach was adopted in valuing in-program output (net present value = \$6,106).

The range of net present value estimates suggests both caution and confidence. Despite the unusually extensive information available for this study, different values within the range indicate that the reader should be careful not to attach particular importance to any one number, but focus on the general trend of the findings. However, the fact that the overall qualitative conclusion—that is, the positive sign of the net present value estimates—remains unaffected by the wide range of alternative assumptions points to the strength of the findings for this target group.

The preceding paragraphs present the benefit-cost results from the perspective of society as a whole. The benefits were also positive from the more limited perspectives of the supported work participants themselves and the rest of society, the nonparticipating tax-

8. Researchers conducted other sensitivity tests, but they were not included in the ranges of Table 8-1 because they were considered extreme (e.g., assuming no benefits occur after months 27 or 36) or particularly speculative (e.g., specifying the extent of the displacement of other workers by supported workers). This fuller analysis is contained in forthcoming more detailed reports.

9. The benchmark estimate uses the earnings and other impacts found for the 27-month cohort both for the 19- through 27-month period and as the base for extrapolating future benefits. However, this sensitivity test takes a more conservative approach, based on the indication discussed in Chapter 4 that supported work's impacts during months 16-18 were smaller for the 18-month cohort than for the 27-month cohort. For this estimate, the base period for extrapolation of post-program earnings is the weighted average of the month 16 through 18 earnings difference for the 18-month cohort and the 19 through 27-month difference for the 27-month cohort. This procedure is similar to that used in developing the 28-36 month base period figure included in the benchmark estimates for the other three target groups. For the AFDC group, however, it is presented as a sensitivity test rather than included in the benchmark estimate out of a concern that the data for months 16-18 are from a period too early to provide a sufficiently reliable estimate of post-program effects.

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payers. Critical to this latter group are the reductions in AFDC, Medicaid, and other transfer payments that are associated with the increased earnings of the supported work experimentals. Even though these did not show up as benefits in the broader social perspective (because they are gains to the nonparticipants and losses to the participants), they become major considerations when the two groups are examined separately. Taxpayer savings from reductions in these transfer payments total an estimated \$2,615 during the first 27 months after an AFDC participant enrolls in supported work and over \$10,000 when future savings are extrapolated, using the same method as was applied to earnings. In addition, the nonparticipants benefit from the increased taxes paid by the AFDC women as they move from welfare to a job. When these two savings are combined with the program's other benefits, the nonparticipating taxpayers' gains far outweigh their costs (the benchmark estimate shows a difference of over \$8,000).¹⁰ Finally, supported work also appears to yield net benefits to the participants, primarily as a result of their increased earnings both in and after the program, although these earnings gains were largely offset by reductions in welfare payments.

Ex-Addicts

As Table 8-2 indicates, the social benefits also exceed the costs for the ex-addicts, although the reasons for this outcome are quite different from those that account for the results of the AFDC group. Over the 27-month period for which the most reliable data are available, the consistent and large reduction in criminal activities, when combined with the value of in-program output (\$3,363) and other smaller changes, brings total benefits to within \$215 of total costs. Thus, only a modest amount of additional benefits is required from the post-27-month period (when the analysis relies on the small sample and the extrapolation approach) for total benefits to exceed costs. Furthermore, the long-term follow-up data (as shown in Chapter 5) suggest that benefits from both reduced criminal activities and increased earnings occur during months 28 through 36. Even when these are extrapolated using the weighted average approach outlined above, the additional benefits are substantial and bring benchmark estimates of total social benefits \$4,345 above total social costs. In contrast to the AFDC findings, the positive

10. The full report on the benefit-cost analysis presents the detailed components of benefits and costs under these two perspectives, as well as the sensitivity of these estimates to changes in the particular assumptions used to estimate different items.

*The Benefits and Costs of Supported Work 143***Table 8-2. Summary of Social Benefits and Costs per Participant: Ex-Addict Target Group**

<i>Item</i>	<i>Months 1-27</i>	<i>Total</i>
Benefits		
Value of in-program output	\$3,363	\$3,363
Increased post-program earnings	-153	819
Reduced welfare system administrative costs	47	-64
Reduced criminal activities ^a	1,677	5,178
Reduced drug treatment costs	-3	153
Reduced education and employment program costs	72	114
Total	\$5,003	\$9,563
Costs		
Local supported work program costs ^b	-\$3,798	-\$3,798
MDRC central administrative costs	-201	-201
Foregone earnings of participants	-1,219	-1,219
Total	-\$5,218	-\$5,218
Net present value (benefits minus costs)	-\$ 215	\$4,345
Range of alternative estimates of net present value	n.a.	\$172 to \$10,777

Source: Peter Kemper, David Long, and Craig Thornton, *The Supported Work Evaluation: The Final Benefit-Cost Analysis* (New York: MDRC, 1980).

Notes: To correct for inflation, all dollar values have been measured in terms of fourth-quarter 1976 dollars. They have also been discounted (at a 5 percent annual rate) to the midpoint of the first 9-month period. Numbers may not sum due to rounding.

^aIncluding reduced judicial system costs, reduced personal injury and property damage, and reduced stolen property.

^bIncluding the cost of operating the work projects (e.g., supervision, materials and equipment) and of program overhead, but excluding supported worker wages.

net present value for the ex-addicts is primarily the result of reduced criminal activities rather than of increased post-program earnings; in contrast to the ex-offender results, the ex-addict changes in criminal activities are stable over the full period of observation and thus can be confidently included in the benchmark benefit-cost calculation.

The range of alternative estimates for the ex-addict group given in Table 8-2 reflects the following assumptions:

1. Real discount rates of 3 or 10 percent (net present value = \$4,994 or \$3,155).
2. A lower decay rate similar to that used in the benchmark AFDC estimate (net present value = \$10,777).

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3. The use of either the 27-month or 36-month cohort as the exclusive base for extrapolation (net present value = \$172 or \$9,392).
4. The use of a sharply lower estimate of the benefit of the reduction in criminal activities (net present value = \$1,755).
5. A lower value of output (net present value = \$2,824).

The low value of the range (\$172) is a relatively extreme estimate based solely on the 27-month cohort, and thus ignoring the significant earnings increase and crime reduction observed for the 36-month cohort. The upper bound is based on a similarly unlikely assumption for this group, namely, that the impact observed in the base period does not decay in future years. Although the range of estimates is large, it is important to note that for the ex-addicts, as for the AFDC group, the qualitative conclusion that social benefits exceed costs remains unchanged under all of these alternative assumptions.¹¹ In addition, benefits are substantial and positive from the complementary perspective of the ex-addict participants and nonparticipants. (The benchmark estimates are \$3,076 and \$1,268, respectively.)

Youths

In contrast to the AFDC and ex-addict findings, the benefits of supported work fall short of the costs for the youth target group (see Table 8-3). Despite the substantial benefits from the value of output produced while the youths are employed in the program (\$3,394), the absence of any impact on criminal activities or subsequent employment leads to an overall net social cost of \$1,465. Under a range of alternative assumptions identical to those tested for the ex-addicts, this estimate varies widely, but the conclusion is consistently negative. However, from the perspective of the participating youths, the program does have benefits (redistributing an estimated \$892 per youth), whereas from the perspective of nonparticipants there are net costs of \$2,357 per youth.

Although the range of estimates suggests that the measured social costs are likely to exceed the benefits, a consideration of unmeasured benefits may be particularly appropriate for this group. Clearly, as evidenced in the recent large number of youth employment pro-

11. In addition to the sensitivity test shown in the range in Table 8-2, the full analysis also provides more extreme estimates (e.g., no benefits from the reduction in criminal activities) under which the social costs for ex-addicts would exceed the benefits. Because of their extreme quality, however, these have been excluded from the Table 8-2 range.

*The Benefits and Costs of Supported Work 145***Table 8-3. Summary of Social Benefits and Costs per Participant: Youth Target Group**

<i>Item</i>	<i>Months 1-27</i>	<i>Total</i>
Benefits		
Value of in-program output	\$3,394	\$3,394
Increased post-program earnings	-3	29
Reduced welfare system administrative costs	78	228
Reduced criminal activities ^a	103	-89
Reduced drug treatment costs	-26	-116
Reduced education and employment program costs	87	100
Total	-\$3,633	\$3,546
Costs		
Local supported work program costs ^b	-\$3,833	-\$3,833
MDRC central administrative costs	-203	-203
Foregone earnings of participants	-974	-974
Total	-\$5,010	-\$5,010
Net present value (benefits minus costs)	-\$1,377	-\$1,465
Range of alternative estimates of net present value	n.a.	-\$4,118 to -\$ 250

Source: Peter Kemper, David Long, and Craig Thornton, *The Supported Work Evaluation: The Final Benefit-Cost Analysis* (New York: MDRC, 1980).

Notes: To correct for inflation, all dollar values have been measured in terms of fourth-quarter 1976 dollars. They have also been discounted (at a 5 percent annual rate) to the midpoint of the first 9-month period. Numbers may not sum due to rounding.

^aIncluding reduced judicial system costs, reduced personal injury and property damage, and reduced stolen property.

^bIncluding the cost of operating the work projects (e.g., supervision, materials, and equipment) and of program overhead, but excluding supported worker wages.

grams, there is a strong national interest in providing jobs and income for unemployed high school dropouts. Although it is unclear how much society is willing to pay to put a youth to work, the value may be substantial. An overall conclusion on supported work for this group, therefore, would depend both on whether the unmeasured benefit of providing a supported job for each youth exceeded the estimated \$1,465 net measured social cost, and on whether this objective could be met at a lower measured cost under alternative employment initiatives. Unfortunately, answers on both questions are not available. The social value of increasing youth employment is uncertain and there is a paucity of reliable estimates of the net social cost of alternative employment programs.

Ex-Offenders

During months 1 through 27, the social costs exceeded the benefits for the ex-offender group by \$2,224, the largest amount of the four target groups. However, a large share of this amount is attributable to an increase in criminal activities which, as noted in Chapter 7, was not statistically significant and thus could have occurred by chance. When the results from these months are combined with the extrapolated future benefits, the results are ambiguous. In contrast to the findings for the other three target groups, not only the magnitude but the plus or minus sign of the estimate of net present value depends on the assumptions used in extrapolation. If the estimate is based solely on the subset of the sample followed for 36 months—which had both a substantial increase in employment and a reduction in criminal activities—benefits exceed costs by \$8,292. If only the 27-month cohort is used—which had a smaller earnings increase and an increase in criminal activities—costs exceed benefits by \$4,916.

An examination of Table 8-4, which shows the components of the estimate under these two extreme extrapolation assumptions, indicates that the wide variation is due primarily to differences in the estimates of criminal activities. This suggests one of the problems of including crime estimates in the benefit-cost framework. Because individual arrests are relatively rare events, each of which has a high social cost, arrests introduce an unstable factor into the analysis. For the ex-addicts, for whom the crime impacts are statistically significant and sustained, this did not create a problem. For the ex-offenders, for whom the measured impacts vary widely over time and among subsets of the sample and are not statistically significant, their inclusion contributes heavily to an uncertain outcome. Because of this, Table 8-4 includes no single benchmark estimate but rather an alternative set of ranges, depending on the inclusion or exclusion of crime effects, and the other sensitivity tests noted above.

Furthermore, Table 8-4 indicates that the uncertainty goes beyond the crime estimates. When criminal activity measures are excluded from the calculation, the range of estimates of net present value is sharply narrowed though still not clearly positive or negative. If all of the other benchmark assumptions are adopted, net present value ranges from -\$166 to \$1,434, depending on the cohort used as the base for extrapolation. Moreover, if the alternative assumptions on decay and discount rates and value of output that were examined for the other target groups are considered, this range increases to from -\$1,654 to \$1,434.

For the ex-offenders, the overall demonstration-wide assessment of benefits and costs is uncertain. A more complete assessment of the role of supported work for this target group must depend on a judgment about any unmeasured benefits that accompany the employment of ex-offenders.

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Table 8-4. Summary of Social Benefits and Costs per Participant: Ex-Offender Target Group

<i>Item</i>	<i>Months 1-27</i>	<i>Total</i>
Benefits		
Value of in-program output	\$2,973	\$2,973
Increased post-program earnings	304	851 to 2,792 ^a
Reduced welfare system administrative costs	41	7 to 310 ^a
Reduced criminal activities ^b	-1,048	-4,750 to 6,858 ^a
Reduced drug treatment costs	6	389 to -380 ^a
Reduced education and employment program costs	136	250 to 374 ^a
Total	\$2,412	-\$ 280 to \$12,927^a
Costs		
Local supported work program costs ^c	-\$3,359	-\$3,359
MDRC central administrative costs	-178	-178
Foregone earnings of participants	-1,100	-1,100
Total	-\$4,637	-\$4,637
Net present value (benefits minus costs)	-\$2,224	-\$4,916 to \$8,292^a
Net present value, excluding changes in criminal activities	-\$1,176	- \$166 to \$1,434^a
Range of alternative estimates of net present value, excluding changes in criminal activities	n.a.	-\$1,654 to \$1,434^d

Source: Peter Kemper, David Long, and Craig Thornton, *The Supported Work Evaluation: The Final Benefit-Cost Analysis* (New York: MDRC, 1980).

Notes: To correct for inflation, all dollar values have been measured in terms of fourth-quarter 1976 dollars. They have also been discounted (at a 5 percent annual rate) to the midpoint of the first 9-month period. Numbers may not sum due to rounding.

^aThis range reflects differences in findings for the 27- and 36-month cohorts. The value for the 27-month cohort appears first, that for the 36-month cohort second. All other benchmark assumptions are employed.

^bIncluding reduced judicial system costs, reduced personal injury and property damage, and reduced stolen property.

^cIncluding the cost of operating the work projects (e.g., supervision, materials, and equipment) and of program overhead, but excluding supported worker wages.

^dThis range reflects the use of alternative estimates of value of output and decay and discount rates, as well as the benchmark estimate.



Summary and Conclusions

The preceding chapters reported in detail on the structure of the demonstration and on the findings from the research. This final chapter summarizes the results and discusses their implications and limitations.

SUMMARY OF THE OPERATING EXPERIENCE

The National Supported Work Demonstration was designed to test whether and to what extent 12 to 18 months of employment in a supportive, but performance-oriented, environment would equip some of America's hardest-to-employ people to get and hold normal, unsubsidized jobs. The research focused on four particular disadvantaged groups: ex-offenders and former drug addicts, women who had been long-term recipients of welfare benefits, and young school dropouts, many with a criminal or delinquency record. In order to obtain answers about the program's effectiveness and cost, the program design called for a comprehensive research effort as an integral part of the demonstration. To meet the research requirements, 6,616 eligible applicants at 10 of the 15 sites were randomly assigned either to an experimental group (offered a job in supported work) or to a control group (not offered a job), and were subsequently interviewed at intervals for up to 36 months. A systematic effort was made to assess the program's impacts on earnings and employment, welfare dependency, and drug use and criminal ac-

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tivities. In addition, the analysis was designed to develop estimates of the program's benefits and costs.

The demonstration was implemented by independent local agencies, which were responsible for recruiting workers who met the eligibility criteria; developing and operating worksites on the basis of the demonstration's essential components (peer support, graduated stress, and close supervision); paying salaries at or slightly above the minimum wage; and providing a disciplined work environment, including the promotion, suspension, or termination of supported workers on the basis of their performance. At or before the end of the 12 or 18 months of maximum employment in the program, the local agencies also were to assist supported workers in locating regular employment.

The program's sharply defined eligibility criteria were designed to recruit a group of individuals who had particularly serious difficulties in getting and retaining regular employment. Most supported workers were black or Hispanic. Most of them had not finished high school, had very limited recent work experience, and were heavily dependent on transfer payments. The programs also reached a group of ex-addicts and ex-offenders with a history of drug use, prior arrests, and convictions. These groups averaged a total of 129 and 195 weeks, respectively, of incarceration prior to their enrollment in supported work. A comparison of the characteristics of supported workers with those in positions funded under CETA and the Work Incentive (WIN) program shows that supported work indeed was reaching a more disadvantaged group than the population typically served by other employment programs.

The local supported work agencies created worksites that varied in types of work, customers served, and funding arrangements. Approximately half of the work was in various service activities, over a quarter was in construction, and a substantial amount in manufacturing. About 75 percent of the work was performed for public and nonprofit customers, the other 25 percent for private individuals or firms. Finally, in contrast to the procedures of the CETA programs, the local agencies in most cases charged their customers for the services or products of the supported workers. The emphasis on marketable goods and services had two benefits. It helped to assure that the programs produced outputs that were of value to their communities, and it compelled the local management to operate worksites with a discipline that contributed to a more realistic work experience for the participants.

A review of the operating statistics on all of the approximately 10,000 supported work employees at the 15 sites suggests that the

program was most successful with the AFDC group. The AFDC women had the highest attendance rates (90 percent, compared to 84 and 80 percent for the ex-addicts and ex-offenders and the lowest rate of 76 percent for the youths); the longest average time in the program (9.5 months compared to 5 to 7 months for the other three groups); the highest rate of departures to a job (35 percent compared to 23 to 29 percent for the others); and the lowest rate of firings (11 percent; compared to 33 to 37 percent). However, the data also indicate that the AFDC group was highest in mandatory graduations—termination after the full span of the program for individuals who had not been placed in a regular job. This shows that the programs had difficulty developing acceptable jobs for even this relatively successful group of employees. That the program achieved the placement rate it did for the other three target groups is encouraging, given the prior work histories of the participants. At the same time the high rates of firings for these groups show that they included a substantial number who could not or would not meet the work demands of even a supported work job.

The program's fiscal data show that it cost the government about \$10,300 to provide a year of supported work employment, which translates into about \$5,700 per supported work employee, a figure quite comparable to the average cost of providing public service employment under the CETA program.

The demonstration posed special management challenges arising out of the nature and objectives of supported work. The need to establish job sites with a realistic work environment forced the sites to face many of the challenges of small businesses seeking to market their products. This required flexibility in oversight and funding, along with efforts to make sure that operations were competently managed and did not waste public funds.

A second challenge was posed by the characteristics of the target population. The supported work sites faced the opposing goals embodied in much recent employment legislation: to recruit the least promising employees and yet to hold down operating costs and meet high performance standards (e.g., in terms of placement and attendance rates). The inevitable conflict of these objectives was contained during the demonstration by the recognition of a larger interest in serving the target population. Performance and cost standards were viewed as a necessary part of the management and monitoring process, but it was realized that excessive reliance on these criteria would push the sites toward "creaming" the most employable applicants. And if that had happened, the very purpose of the demonstration would have been undermined.

SUMMARY OF THE RESEARCH FINDINGS ON PROGRAM IMPACT AND COST

The supported work research findings suggest that the program was generally successful in meeting its short-term objectives of increasing employment and earnings, reducing welfare dependency, and producing useful goods and services. For two of the target groups—AFDC women and ex-addicts—it also succeeded in producing long-term impacts. In addition, the benefits for these two groups were considerably in excess of costs. For the other two target groups, there is little indication of any long-term impacts, and the negative or ambiguous findings from the benefit-cost analysis suggest that ultimate judgments about these groups will depend on the significance of unmeasured benefits.

THE AFDC TARGET GROUP

Both when measured by operational data and when compared to the control group, supported work was most successful with the group of long-term AFDC recipients. As Table 9-1 shows, participation in supported work led to an increase in employment and a reduction in welfare dependency, both while the AFDC group was in the program and after it had left it. The impacts were largest during the first 9 months, when most of the experimentals had a supported work job, but continued at statistically significant levels into the 19- to 27-month post-program period. The more detailed data presented in Chapter 4 show that after month 16 there was no further decline in the program's impact, suggesting that supported work had a durable impact on employment behavior. (This will be further examined in a report on a supplemental wave of follow-up interviews with AFDC experimentals and controls, to be completed in late 1980.) A comparison of the data in Table 9-1 on the employment rates, hours, and earnings show that the experimentals were not only employed more often but that those who were employed worked more hours at higher wages, suggesting that supported work also helped its participants find jobs of a higher quality.

Examination of the behavior among subgroups within the AFDC population suggested that supported work's impact was particularly large for older women (those between 36 and 44 years old at the time of enrollment), and for women who had never worked before, or had been on welfare longest. In contrast, subgroups which did relatively well in the absence of the program (e.g., those with 12 or

Table 9-1. Experimental-Control Differences in Key Indicators during the 27 Months Following Enrollment: AFDC Target Group

<i>Outcome Measure</i>	<i>Experimentals</i>	<i>Controls</i>	<i>Difference</i>
Percent employed during period			
Months 1-9	96.3	36.5	59.8†
10-18	76.5	39.4	37.1†
19-27	49.1	40.6	8.5†
Average monthly hours worked			
Months 1-9	135.3	26.6	108.7†
10-18	79.4	40.3	39.1†
19-27	60.9	45.2	15.7†
Average monthly earnings (\$)			
Months 1-9	400.44	78.28	322.16†
10-18	274.06	131.08	142.98†
19-27	242.89	165.88	77.01†
Cash welfare payments ^a			
Percent receiving			
Months 1-9	93.8	97.7	-3.9†
10-18	82.4	90.1	-7.7†
19-27	71.4	85.1	-13.7†
Average monthly amount (\$)			
Months 1-9	169.82	277.90	-108.09†
10-18	164.28	246.60	-82.32†
19-27	172.06	224.00	-51.94†
Food stamps: average monthly bonus value (\$)			
Months 1-9	44.83	63.46	-18.63†
10-18	42.15	58.02	-15.87†
19-27	47.14	60.25	-13.11†
Average monthly total income ^b (\$)			
Months 1-9	628.06	435.10	192.96†
10-18	524.47	454.44	70.03†
19-27	497.50	470.14	27.36

Source: See Table 4-1.

Notes: Averages are calculated for all members of the sample, including those with no employment or transfer payment receipt in the covered period.

^aWelfare includes AFDC, GA, SSI, and other unspecified cash welfare.

^bTotal income includes earnings, unemployment compensation, welfare, food stamp bonus value, and other unearned income (Social Security, pensions, alimony, and child support).

†Statistically significant at the 5 percent level.

more years of schooling) seemed to have been less affected by participation in the program.

As a result of their higher earnings, the AFDC participants received substantially less income from the AFDC and food stamp programs. Over the 27-month period followed in the interviews, experimentals received a total of \$2,600 less in benefits from these

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two programs. By months 19 through 27, about twice as many experimentals as controls had left the AFDC rolls.

The supported work findings confirm that this group often works despite substantial disincentives. Because welfare benefits are reduced as earnings increase, the experimental-control differentials in total income are much less than those in earnings. When all offsetting changes are considered (those in Social Security and other taxes, Medicaid, and other in-kind benefits), the real income of the AFDC experimentals and controls increases by less than 50 cents for each dollar earned.

The results of the benefit-cost analysis suggest that the program generates substantially more resources per AFDC participant than it uses up. The researchers' best guess or benchmark estimate is that the estimated social benefits for this group exceed the costs by a total of \$8,150 per participant. Alternative nonextreme assumptions about critical benefit-cost components or approaches produced a range of estimates: \$2,754 to \$9,732. The range suggests that emphasis be placed not on a single number but rather on the general direction of findings; the consistently positive outcome under widely varying assumptions suggests the strength of the benefit-cost results for this target group.

When the focus of the benefit-cost analysis is shifted from society as a whole to the nonparticipants (often called the taxpayers) the data suggest that, from this more limited perspective too, the investment in supported work more than pays for itself, with benefits exceeding costs by a large amount, primarily as a result of the savings in welfare payments.

THE EX-ADDICT TARGET GROUP

During the early months after random assignment, when the ex-addict participants were still in the program, there were substantial differentials in employment, hours, and earnings between the participants (experimentals) and the control group (see Table 9-2). After a decline in the experimental-control differentials, during months 16 to 30, there was a reversal, with significant differences in the employment indicators during months 31 through 36. Clearly, for the sample of ex-addicts that were followed the full 36 months, supported work had substantial long-term employment impacts. However, the reasons for the upturn and the magnitude of the effect that would have been found had the whole sample been followed for 36 months are uncertain. The shorter term follow-up data on the individuals who enrolled in the program at a later date, when the controls experienced greater employment opportunities, suggest that the program impacts were smaller. To further clarify

Table 9-2. Experimental-Control Differences in Key Indicators during the 36 Months Following Enrollment: Ex-Addict Target Group

<i>Outcome Measure</i>	<i>Experimentals</i>	<i>Controls</i>	<i>Difference</i>
Percent employed during period			
Months 1-9	95.0	50.2	44.8†
10-18	63.9	53.1	10.8†
19-27	56.5	53.0	3.5
28-36	64.0	53.9	10.1*
Average monthly hours worked			
Months 1-9	118.7	40.5	78.2†
10-18	66.4	50.0	16.4†
19-27	60.1	58.6	1.5
28-36	70.9	52.6	18.3†
Average monthly earnings (\$)			
Months 1-9	361.23	159.79	201.44†
10-18	259.62	220.42	39.20*
19-27	277.75	261.33	16.42
28-36	326.09	224.36	101.73†
Average monthly welfare and food stamps benefits (\$)ᵃ			
Months 1-9	57.97	115.17	-57.20†
10-18	92.42	110.89	-18.47†
19-27	89.90	93.94	-4.04
28-36	94.34	103.79	-9.45
Percent using any drug other than marijuana or alcohol			
Months 1-9	36.1	38.2	-2.1
10-18	34.1	32.7	1.4
19-27	28.0	27.5	0.5
28-36	23.4	20.7	2.7
Percent using heroin			
Months 1-9	20.2	21.5	-1.3
10-18	16.8	17.8	-1.0
19-27	13.4	11.7	1.7
28-36	10.1	8.8	1.3
Percent arrested			
Months 1-18	25.3	33.5	-8.2†
1-36	35.0	53.1	-18.1†
Percent arrested for robbery			
Months 1-18	2.3	7.5	-5.2†
1-36	0.2	13.4	-13.2†
Percent arrested on drug charges			
Months 1-18	4.1	7.9	-3.8†
1-36	6.8	14.0	-7.2
Percent convicted			
Months 1-18	13.5	17.8	-4.3*
1-36	19.3	32.9	-13.6*

Source: See Tables 5-1 and 5-8.

Notes: Averages are calculated for all members of the sample, including those with no employment or transfer payment receipt in the covered period.

ᵃWelfare includes AFDC, GA, SSI, and other unspecified cash welfare. These data are based on a sample slightly different from that in Table 5-5.

†Statistically significant at the 5 percent level.

*Statistically significant at the 10 percent level.

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the long-term employment impacts and their dependence on labor market conditions, it would be useful to conduct a supplemental follow-up of this sample, probably using the relatively inexpensive means of tracing earnings through Social Security records.¹

Second, and probably most critical, supported work participation resulted in a sharp reduction in the criminal activities of the ex-addict group. As shown in Table 9-2, during the first 18 months after random assignment, there was a 24 percent reduction in the arrest rate for experimentals, 25.3 percent compared to 33.5 percent. Although the differences are concentrated in the in-program period, they extend into the period when the experimentals are no longer in supported work, with a total of 35 percent of the experimentals arrested over the full 36 months compared to 53 percent of the controls. The program was particularly effective in reducing robbery and drug-related arrests, suggesting that, given the absence of a program effect on drug use in general, the program led to the substitution of legitimate for illegitimate income for the purchase of drugs. Finally, the impact on arrests seems to have been particularly large for the older ex-addicts.

For the ex-addicts as for the AFDC women, the benefit-cost analysis shows that society as a whole, and the participants and nonparticipants viewed separately, benefit from the investment in supported work. (The benchmark net present value is \$4,345; the range, \$172 to \$10,777.) The major social benefit for this target group follows from the reduction in criminal activities. While post-program earning changes contribute a small amount, they are dwarfed by the social value of the estimated crime reduction. The other substantial benefit was the value of output the ex-addicts produced while in the program. As was the case for the AFDC group, the positive findings held up under a wide variety of different assumptions about the individual components of the analysis.

THE YOUTH TARGET GROUP

A comparison of the activities of the youth target group in supported work and its control group counterpart indicates that only in the initial period, while the experimentals were in the program, did supported work have an impact on employment and earnings. After that, both as a result of the movement of the experimentals out of the program and the increasing employment of the control

1. An analysis using Social Security records suggested the feasibility of these data as a follow-up source for earnings information for the supported work target groups.

group, there is a rapid decay in program impact (see Table 9-3). An examination of the program's effectiveness among different subgroups of youths suggests that the program may be more successful with youths under 19 years of age, those with one or more dependents to support, those raised in intact families, and those with particularly limited work experience.

An examination of the program's impacts on drug use and criminal activities for this group indicates no overall impact on the former and only a weak suggestion that the program might have a cumulative effect on criminal activities. There is no evidence that supported work led to an increase in the return to school of this population.

The analysis of supported work's social benefits and costs suggests that, under most reasonable assumptions, the program has a net cost. However, the substantial value of in-program output produced by each youth goes a long way toward offsetting costs and brings the benchmark estimate of net present value to $-\$1,465$ per youth. (The range of alternative estimates is $-\$4,118$ to $-\$250$.) An ultimate decision on the appropriateness of supported work for youths would depend on issues beyond the ken of this report—on the extent to which society values the employment and redistributive impacts of the program and on the extent to which supported work is more effective than other programs in achieving these objectives.

THE EX-OFFENDER TARGET GROUP

A comparison of the behavior of the experimental and control groups suggests that supported work had only limited impact on the ex-offender group. The data suggest strong in-program impacts on employment and earnings which decay rapidly during months 10 through 27. For the small sample followed during months 28 through 36 after random assignment, there is an indication that the program has an impact on earnings, although this differential is not statistically significant (see Table 9-4). Finally, there are no overall impacts on criminal activities and drug use.

In contrast to the other three target groups, for the ex-offenders both the overall direction and magnitude of the benefit-cost findings prove to be extremely sensitive to the specific assumptions adopted in the analysis, especially as it relates to the measure of future criminal activities. For the small sample for which 28-36-month data are available, supported work leads to a large reduction in criminal activities (as well as the substantial increase in the earnings differential noted above). The larger sample, for which only 27 months of data are available, does not show such a trend. Depend-

Table 9-3. Experimental-Control Differences in Key Indicators during the 36 Months Following Enrollment: Youth Target Group

<i>Outcome Measure</i>	<i>Experimentals</i>	<i>Controls</i>	<i>Difference</i>
Percent employed during period			
Months 1-9	98.1	52.5	45.6†
10-18	68.9	62.7	6.2*
19-27	62.6	62.6	0.0
28-36	74.9	66.2	8.7
Average monthly hours worked			
Months 1-9	120.4	39.7	80.7†
10-18	69.9	58.2	11.7†
19-27	68.8	68.2	0.6
28-36	88.6	81.4	7.2
Average monthly earnings (\$)			
Months 1-9	350.68	123.95	226.73†
10-18	235.96	205.25	30.71
19-27	268.28	248.98	19.30
28-36	301.05	342.58	-41.53
Average monthly welfare and food stamp benefits (\$) ^a			
Months 1-9	31.09	40.86	-9.77†
10-18	32.08	48.66	-16.58†
19-27	46.53	54.09	-7.56
28-36	44.45	54.57	-10.12
Percent using any drug (other than marijuana or alcohol)			
Months 1-9	11.3	14.2	-2.9
10-18	10.5	10.2	0.3
19-27	11.0	10.6	0.4
28-36	16.8	11.0	5.8
Percent using heroin			
Months 1-9	4.0	3.6	0.4
10-18	1.7	2.4	-0.7
19-27	1.8	1.2	0.6
28-36	1.9	1.0	0.9
Percent arrested			
Months 1-18	26.7	27.0	-0.3
1-27 ^b	30.5	39.3	-8.8*
Percent convicted			
Months 1-18	16.5	16.0	0.5
1-27 ^b	19.6	23.6	-4.0†

Source: See Tables 7-1 and 7-8.

Notes: Averages are calculated for all members of the sample, including those with no employment or transfer payment receipt in the covered period.

^aWelfare includes AFDC, GA, SSI, and other unspecified cash welfare. These data are based on a sample slightly different from that in Table 6-5.

^bData for months 1-27 have been used because data for months 1-36 are based on an unreliably small sample.

†Statistically significant at the 5 percent level.

*Statistically significant at the 10 percent level.

ing on which data are used as the base for extrapolation, social benefits fall short of costs by \$4,916 or exceed them by \$8,292. Finally, even when changes in criminal activity are excluded from the analysis, the range of estimates is substantial and does not indicate a clear finding. As a result, no single benefit-cost benchmark estimate is presented for this group. Instead, alternative ranges of estimates, depending on the assumptions used and the handling of the crime impacts, have been made.

To obtain further clarification of the program's long-term impact on criminal activities and earnings—and thus on the net social cost—further follow-up using arrest data and Social Security records is suggested. Both methods were utilized as part of the supported work evaluation and turned out to be relatively inexpensive ways to trace the program's impacts of specific areas.

* * *

In assessing the implications of the findings presented in this report, we find several considerations that bear noting. First, while the supported work findings relate to broad social policy questions in areas such as welfare reform, youth employment, targeting of resources, and decriminalization of drug use, this report is not intended to consider what these policies should be. Rather it is intended to add to the base of knowledge for those concerned with developing policies on such issues. Second, while the research was both extensive and comprehensive, as with any attempt to apply social science techniques to assessing human behavior and response, many research questions remain unanswered.

For example, it would have been of great utility to include an analysis of the relative efficacy of supported work as compared to alternative employment and training approaches. Unfortunately, there is little if any comparable research data available on other programs. Therefore, even though the supported work research provides reliable data on the impact and cost of providing a structured employment opportunity, and as such takes a highly important step toward increasing our knowledge on the impact of employment interventions for the disadvantaged, it does not answer the question of whether supported work is more or less effective than other program alternatives.

It would also have been useful to pinpoint with greater clarity the specific features of supported work that led to its relative success or failure. In fact, the demonstration's research included a rigorous and sophisticated quantitative study directed at determining which features of the supported work model contributed most to

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Table 9-4. Experimental-Control Differences in Key Indicators during the 36 Months Following Enrollment: Ex-Offender Target Group

<i>Outcome Measure</i>	<i>Experimentals</i>	<i>Controls</i>	<i>Difference</i>
Percent employed during period			
Months 1-9	95.9	58.7	37.2†
10-18	66.0	59.2	6.8†
19-27	56.5	53.3	3.2
28-36	59.0	57.8	1.2
Average monthly hours worked			
Months 1-9	117.1	46.0	71.1†
10-18	66.3	57.8	8.5†
19-27	59.8	60.0	-0.2
28-36	75.0	66.8	8.2
Average monthly earnings (\$)			
Months 1-9	378.74	178.38	200.36†
10-18	285.99	260.83	25.16
19-27	269.17	254.18	14.99
28-36	366.80	304.20	62.60
Average monthly welfare and food stamp benefits (\$) ^a			
Months 1-9	28.50	48.49	-19.99†
10-18	41.43	60.86	-19.43†
19-27	51.37	50.37	1.00
28-36	51.74	52.96	-1.22
Percent using any drug (other than marijuana or alcohol)			
Months 1-9	30.0	34.2	-4.2*
10-18	26.0	29.0	-3.0
19-27	22.8	24.1	-1.3
28-36	17.0	28.2	-11.2†
Percent using heroin			
Months 1-9	14.3	14.1	0.2
10-18	8.5	10.8	-2.3
19-27	7.5	7.5	0.0
28-36	4.6	8.4	-3.8
Percent arrested			
Months 1-18	47.2	46.2	1.0
1-36	56.8	64.8	-8.0
Percent convicted			
Months 1-18	25.4	26.4	-1.0
1-36	43.9	35.4	8.5

Source: See Tables 7-1 and 7-2.

Notes: Averages are calculated for all members of the sample, including those with no employment or transfer payment receipt in the covered period.

^aWelfare includes AFDC, GA, SSI, and other unspecified cash welfare. These data are based on a sample slightly different from that in Table 7-5.

†Statistically significant at the 5 percent level.

*Statistically significant at the 10 percent level.

positive program outcomes. This effort yielded very limited insights, and indicates the extreme difficulty of doing quantitative process research on an operating program, even in a relatively controlled environment. Understanding which features of the supported work model deserve modification, expansion, or abandonment must still come largely from qualitative observation and judgment.

It must also be remembered that research on the demonstration did not take place in a vacuum. Alternative programs and services were available to both experimentals and controls, and at times—as in the case of rapidly expanded resources for youth programs and the unexpected availability of special employment insurance—may have limited supported work's potential for impact. The economy and employment conditions generally improved considerably during the course of the demonstration. A different environment could very well have altered the results, and clearly future changes will likely affect future program impacts.

The operating environment of the demonstration also no doubt affected its outcomes. The findings were derived from 15 sites functioning within uniform demonstration guidelines, under the active oversight and control of a management agency. Any expansion of supported work will have to consider how the key features of the program model, particularly its structuring of the work experience, its targeting on the severely disadvantaged, and its operation of revenue-producing worksites, can be preserved and implemented in a nondemonstration climate.

Finally, the uninterrupted flow of referrals to the program—adequate to provide two people for each job over a period of several years—suggests that among the severely disadvantaged there is a strong interest in work, even in jobs that are temporary and pay only slightly more than the minimum wage. The successes of the program with this clientele, though encouraging, were partial. There are a large number of individuals who volunteered for participation but for one reason or another did not gain regular employment after program completion. They remain the severely disadvantaged. Their voluntary attempt at supported work, and failure, points up the continuing need for creative and deliberate programmatic interventions to improve the connection of a small but troubling group of our citizens to the values and activities of the larger American society.

CRIMINOLOGY

ECONOMIC STATUS AND CRIME: IMPLICATIONS FOR OFFENDER REHABILITATION

THOMAS ORSAGH* AND ANN DRYDEN WITTE**

I. INTRODUCTION

This study will evaluate the supposition that certain offender rehabilitation programs reduce recidivistic crime. The relevant programs are those that enhance an offender's economic status. Programs of this nature are highly diverse. Some are designed to effect an immediate improvement in economic status; job placement and short-term income supplements are examples. Others, such as those involving general education or job training, are designed with longer range effects in mind. Although these programs are highly diverse and have been applied to offenders at all stages within the criminal justice process from pretrial to post-release, they possess one common characteristic: they attempt to enhance an offender's economic well-being. While these programs may be justified for a variety of reasons, a major argument advanced by their proponents has always been that such programs reduce the level of future criminal activity.

Our objective is to examine the theoretical and empirical foundations for the hypothesis that a relationship exists between economic status and recidivism. This article's thesis is that while conventional rehabilitation programs aimed at enhancing an offender's economic status have not often been successful, such programs have considerable promise when they are carefully designed and targeted at a group of offenders who choose crime as a rational alternative to work.

H. THE FORMAL THEORY RELATING ECONOMIC STATUS TO REHABILITATION

The existence of a relation between economic status and rehabilitation can be deduced from neoclassical principles and assumptions. An individual is presumed free to choose among many options, including legal and illegal activities. The particular combination of legal and illegal activities chosen also presumably maximizes the individual's well-being. To use the classic phrase from Sutherland and Cressey, the theory is "individualistic, intellectualistic, and voluntaristic."¹

The neoclassical theory is, of course, quite old. Beccaria² is usually credited with providing its first formal development. In the last decade, the theory has been restated in a logically rigorous, mathematical format. Becker initiated the new development.³ Ehrlich⁴ and Sjoquist⁵ provided significant refinements. The model which emerges from these three (the BES model) provides a formal connection between economic status and the crime rate.

In the BES model, well-being is functionally related to wealth. Wealth is a composite index of one's assets, present income, and the discounted value of future income, including in income both pecuniary and non-pecuniary returns. The model assumes that individual well-being is maximized by maximizing wealth. Wealth is maximized by an appropriate allocation of one's time and other resources to legitimate and illegitimate activities. Included in the model (theory) are several additional assumptions, the more important of which are: (1) the total amount of work time devoted to legitimate and illegitimate income producing activities is a constant; that is, an hour devoted to one activity must be at the expense of the other; (2) the two activities are perfect substitutes in that no explicit account is taken of possible differences in the irksomeness, ethical value, etc. of legitimate and illegitimate work; (3) wealth increases with an increase in either activity; (4) wealth obtained through

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¹ E. Sutherland & D. Cressey, *Criminology* 56 (10th ed. 1978).

² C. Beccaria, *An Essay on Crimes and Punishments* (1767).

³ Becker, *Crime and Punishment: An Economic Approach*, 76 *J. of Political Econ.* 169 (1968).

⁴ Ehrlich, *Participation in Illegitimate Activities: A Theoretical and Empirical Investigation*, 81 *J. Political Econ.* 521 (1973).

⁵ Sjoquist, *Property Crime and Economic Behavior: Some Empirical Results*, 63 *Am. Econ. Rev.* 439 (1973).

legitimate activity occurs with certainty, whereas wealth obtained from illegal activity is conditioned on the offender's success or failure in avoiding detection and apprehension; (5) wealth obtained through one activity is not affected by one's success or failure in the other; (6) the negative return (sanction) associated with failure in criminal activity can be reduced to a monetary equivalent; and (7) the objective values relating to sanctions and to returns are monotonically related to the potential offender's subjective assessment of these values.⁶

Given those assumptions, and the traditional assumption that individuals try to avoid uncertainty, and seek to avoid it most when they are poor, it follows that an increase in the return to legitimate activity will reduce the amount of time devoted to criminal activity. Hence, rehabilitative programs, such as job training and income or wage subsidies, that increase legitimate income should reduce recidivistic crime. The model also establishes two corollary results: (1) an increase in the rate of return to criminal activity will induce an increase in crime; and (2) an increase in the probability or severity of legal sanctions will reduce crime rates.

The BES formulation of the theory has been widely applied, most often to the property crime component of the Index offenses, but also to income tax evasion,⁷ to female crime rates,⁸ and even to homicide.⁹ The growing interest in the BES model is easily explained. Its esoteric language and its uncommonly rigorous logic are seductive. The statements relating to economic status and to sanctions which are deduced from the theory are intuitively plausible, conform to popular opinion, and are, therefore, powerfully persuasive. Moreover, the theory has the added attraction of focusing on variables which are, or at least appear to be, capable of manipulation through deliberate public policy.

Despite its charm and the plausibility of its results, the BES model has recently been subjected to critical reexamination. Analysis indicates that the conclusions to be derived from the BES model change substantially when some of the underlying assumptions of the BES model are altered. Block and Heineke¹⁰ rejected the assumption that the "work" involved in legitimate and criminal activity is devoid of moral/ethical content. They adopted the more realistic assumption that legitimate and illegitimate work may have different values, and indeed, that there may be no monetary equivalent for some kinds of work. Block and Lind¹¹ replaced the assumption that one's wealth can be reduced to zero through the imposition of legal sanctions with the more realistic assumption that sanctions have a strict upper limit. On constitutional grounds, the state may not reduce one's income below the subsistence level.¹² Heineke¹³ rejected the assumption that total work time is a constant. In his model, leisure becomes an option; and, accordingly, one chooses an optimum combination of legitimate and criminal activity *and* leisure. Heineke also rejected the assumption that all sanctions can be expressed in monetary equivalents.

The more general theory emerging from the work of Heineke, Block, and Lind (the HBL model) carries with it an extremely important result. Adopting the more plausible axiomatic base of the HBL model precludes the categorical statement that an increase in legitimate income, through welfare, job training, work release, etc., reduces the likelihood that an individual will commit an offense. Moreover, the effect of changes in the rate of return to illegitimate activity, and of changes in the probability and severity of punishment, becomes ambiguous. Thus, the HBL model offers no clear-cut policy prescription: "... in the area of law enforcement . . . policy recommendations do not follow from theory but rather require empirical determination of relative magnitudes."¹⁴ Theory becomes essentially agnostic.

⁶ Heineke, *Economic Models of Criminal Behavior: An Overview*, in *Economic Models of Criminal Behavior*: 1 (J. Heineke ed. 1978).

⁷ Allingham & Sandmo, *Income Tax Evasion: A Theoretical Analysis*, I. J. Pub. Econ. 323 (1972).

⁸ Bartel, *Women in Crime: An Economic Analysis*, 17 Econ. Inq. 29 (1979).

⁹ Ehrlich, *The Deterrent Effect of Capital Punishment: A Question of Life and Death*, 65 Am. Econ. Rev. 397 (1975).

¹⁰ Block & Heineke, *A Labor Theoretic Analysis of the Criminal Choice*, 65 Am Econ. Rev. 314 (1975).

¹¹ Block & Lind, *Crime and Punishment Reconsidered*, 4 J. Legal Stud. 241, 245-247 (1975).

¹² The literature dealing with the minimal rights of convicted persons to food, clothing, housing, and medical care is extensive. See, e.g., S. Krantz, *Cases and Materials on the Law of Corrections and Prisoners' Rights* (1973); S. Rubin, *The Law of Criminal Corrections* (2d ed. 1973); Note, *James v. Wallace: Minimum Constitutional Standards for Living Conditions in Prison*, 29 Baylor L. Rev. 180 (1977).

¹³ Heineke, *supra* note 6.

¹⁴ Block & Heineke, *supra* note 10, at 323.

III. THE EMPIRICAL EVIDENCE RELATING ECONOMIC STATUS TO REHABILITATION

Since deductive proof for the existence of a relationship between crime and economic status is not possible, its existence depends upon a particular configuration of the model's parametric values and is, therefore, environment-specific. Thus, an evaluation of the efficacy analysis. If direct measures of the model's parameters existed, the task would be quite simple. Because such measures do not exist, this evaluation shall take the form of an empirical test for the existence of a relation between economic status and crime. Accordingly, we propose to analyze four distinct groups of empirical studies for evidence showing the existence of the relation: (1) studies using aggregate data examining the relationship between unemployment and crime, (2) studies using aggregate data examining the relationship between income and crime, (3) studies using individual data exploring the relationship between economic viability and crime, and (4) studies evaluating the effectiveness of programs designed to improve economic viability.

A. Indirect evidence based on aggregative data

If economic status affects the decision to engage in criminal activity, crime rates should logically be higher among persons who are unemployed and among persons with lower incomes. Both hypotheses have been subjected to detailed examination.¹⁵ The results below derive from those studies that have used a more sophisticated statistical apparatus for testing the validity of these hypotheses.

1. The Relationship Between Unemployment and Crime

In the last two decades, an extensive literature bearing upon the relationship between unemployment and crime has developed. Gillespie¹⁶ has examined the pre-1975 literature. He reports three studies which assert the existence of a statistically significant relationship between the unemployment rate and crime, but seven studies in which no significant relation could be found.¹⁷ Indeed, almost all of the latter studies show that, for some model specification, the coefficient of the unemployment variable is negative, though never statistically significant.

Evidence since Gillespie's survey provides no stronger support for the proposition that "unemployment causes crime." The longitudinal study by Land and Felson¹⁸ shows that the unemployment rate has no appreciable effect on the crime rate, while Brenner¹⁹ argues that it does.

However, the Center for Econometric Studies²⁰ has shown that Brenner's result are extremely sensitive to changes in model specification. Hence, Brenner's results too, should be viewed as inconclusive. Using a simultaneous equations model and data for 1950-1974, Fox also finds no relationship.²¹ Orsagh, using a quite different model and the same time frame, find a positive, non-significant relationship and observes that, at best, the magnitude of unemployment's impact on crime is quite small.²² Finally, Leveson's data for approximately the same time period shows a statistically relation between crime rates and youth unemployment, but no relation to adult unemployment.²³

¹⁵ Braithwaite, *Unemployment and Crime: An Interpretation of the International Evidence*, in *Proceedings of the Institute of Criminology* (Sydney Univ. Law School, ser. 36 at 54 (1978)); R. Gillespie, *Economic Factors in Crime and Delinquency: A Critical Review of the Empirical Evidence* (Dep't of Justice, Nat'l Inst. of Law Enforcement and Crim. Just. 1975); *Hearings on the Social Costs of Unemployment Before the Joint Economic Committee, 96th Cong., 1st Sess.* (1979) (Witte, *Unemployment and Crime: Insights and Research on Individuals*); [hereinafter cited as *Hearings*]; Orsagh, *Unemployment and Crime: An Objection to Professor Brenner's View*, 71 *J. Crim. L. & C.* 181 (1980); Long & Witte, *Current Economic Trends: Implications for Crime and Criminal Justice, Crime, and Criminal Justice in a Declining Economy* (1981) (forthcoming).

¹⁶ R. Gillespie, *supra* note 15.

¹⁷ *Id.* at 55.

¹⁸ Land & Felson, *A General Framework for Building Dynamic Macro Social Indicator Models: Including An Analysis of Changes in Crime Rates and Police Expenditures*, 82 *Am. J. Soc.* 565 (1976).

¹⁹ Brenner, *Estimating the Social Costs of National Economic Policy: Implications for Mental and Physical Health, and Criminal Aggression*, in *1 Achieving the Goals of the Employment Act of 1946—30th Anniversary Review*, Joint Economic Committee, 95th Cong., 2d Sess. (1976) (paper no. 5).

²⁰ Center for Econometric Studies of the Justice System, Hoover Institution, *A Review of Some of the Results in Estimating the Social Cost of National Economic Policy: Implications for Mental and Physical Health, and Criminal Aggression* (1979) (Mimeo.).

²¹ J. Fox, *Forecasting Crime Data* 29 (1978).

²² Orsagh, *A Criminometric Model of the Criminal Justice System*, in *Models in Quantitative Criminology* (J. Fox ed. 1981).

²³ I. Leveson, *The Growth of Crime* (1976).

The post-1975 cross-sectional evidence is equally ambiguous. Bartel reports positive coefficients for the female unemployment rate for most, but not all, specifications of her model.²⁴ However, none of the coefficients are statistically significant. The Center for Econometric Studies finds a relation between crime rate and long-term unemployment, but no relation to short-term unemployment.²⁵ Forst²⁶ and Wadycki and Balkin²⁷ find no relation for Index offenses; Vandaele reports no relation for automobile theft.²⁸

2. *The Relationship Between Income and Crime*

According to the BES model, the propensity for crime should vary inversely with legitimate income prospects and directly with illegitimate income opportunities. Because direct empirical measures of these income variables do not exist, an acceptable test of these two hypotheses is not possible. Although a large number of studies purport to test these hypotheses, their evidence defies definitive interpretation because of the uncertain correspondence between the empirical measure actually used and the measure that theory requires. Consider, for example, the ambiguous treatment accorded to one common measure, per capita income. Grieson,²⁹ Beasley and Antunes,³⁰ and Swimmer³¹ use per capita income as an index of legitimate income. Fleisher,³² Weicher,³³ and Sjoquist,³⁴ using measures analogous to per capita income, assign the same interpretation. Vandaele interprets per capita income as an index of the demand for illegal goods.³⁵ But other, equally respectable authors—Reynolds, Ehrlich, McPheters and Stronge, Forst, and Bartel—use the same measure as an index of illegitimate income.³⁶ Of course, control variables are used in the above studies in an effort to force the measure to reflect either legitimate or illegitimate income, as the particular study requires; but, unfortunately, the success of this endeavor cannot be scientifically demonstrated. One's interpretation of the measure becomes largely a matter of faith.

Interpreting the empirical research relating to legitimate income is further complicated, and comparative analysis is rendered virtually meaningless, because of the many statistical proxies employed in the literature for this variable. Beasley and Antunes, Swimmer, and Vandaele use per capita income;³⁷ Fleisher and Weicher, the mean family income of the second lowest quartile;³⁸ Sjoquist, the wages of manufacturing employees;³⁹ Morris and Tweeten and Greenwood and Wadycki the percentage of families living in poverty;⁴⁰ Reynolds, the annual income of laborers;⁴¹ Ehrlich and Bartel, the percentage of families earning less than one-half of median income;⁴² and Forst, the percentage of income recipients having an income between the median and poverty income levels.⁴³

²⁴ Bartel, *supra* note 8.

²⁵ Center for Econometric Studies of the Justice System, Hoover Institution, Property Crime and the Returns to Legitimate and Illegitimate Activities (Technical Report CERDCR-2-78).

²⁶ Forst, Participation in Illegitimate Activities: Further Empirical Findings, 2 *Pol'y Analysis* 477 (1976).

²⁷ Wadycki & Balkin, Participation in Illegitimate Activities: Forst's Model Revisited, 8 *J. Behavioral Econ.* 151 (1979).

²⁸ Vandaele, An Econometric Model of Auto Theft in the United States, in *Economic Models of Criminal Behavior* 303 (J. Heineke ed. 1978).

²⁹ R. Grieson, The Determinants of Juvenile Arrests (Working Paper No. 87, Department of Economics, Massachusetts Institute of Technology, 1972).

³⁰ Beasley & Antunes, The Etiology of Urban Crime: An Ecological Analysis, II *Criminology* 439 (1974).

³¹ Swimmer, Measurement of the Effectiveness of Urban Law Enforcement—A Simultaneous Approach, 40 *S. Econ. J.* 618 (1974).

³² Fleisher, The Effect of Income on Delinquency, 55 *Am. Econ. Rev.* 118 (1966)

³³ Weicher, The Effect of Income on Delinquency: Comment, 60 *Am. Econ. Rev.* 249 (1970).

³⁴ Sjoquist, *supra* note 5.

³⁵ Vandaele, *supra* note 28.

³⁶ See Ehrlich, *supra* notes 4 and 9; Forst, *supra* note 26; Forst, The Deterrent Effect of Capital Punishment: A Cross-Str' Analysis of the 1960's, 61 *Minn. L. Rev.* 743 (1977) [hereinafter cited as *The Deterrent Effect*]; McPheters & Stronge, Law Enforcement Expenditures and Urban Crime, 27 *Nat'l Tax J.* 633 (1974); A. Bartel, *supra* note 8; M.O. Reynolds, Crimes for Profit: Economics of Theft (1971) (unpublished Ph.D. dissertation, University of Wisconsin).

³⁷ Beasley & Antunes, *supra* note 30; Swimmer, *supra* note 31; Vandaele, *supra* note 28.

³⁸ Fleisher, *supra* note 32 at 123; Weicher, *supra* note 33 at 250, 251.

³⁹ Sjoquist, *supra* note 5 at 439.

⁴⁰ Greenwood & Wadycki, Crime Rates and Public Expenditures for Police Protection: Their Interaction, 31 *Rev. Soc. Econ.* 138 (1973); Morris & Tweeten, The Costs of Controlling Crime: A Study in Economics of City Life, 5 *Annals Regional Sci.* 33 (1971).

⁴¹ M.O. Reynolds, *supra* note 36.

⁴² Ehrlich, *supra* note 4, at 539; Bartel, *supra* note 8.

⁴³ Forst, *The Deterrent Effect*, *supra* note 36.

Given conceptual and interpretive problems such as these, and other difficulties enumerated below, it is not surprising that the surveys of this literature⁴⁴ provide exceedingly thin support for an income-crime relation. The subsequent work of Bartel, Forst, Vandaele, and others provides no stronger support.⁴⁵

The inescapable conclusion to be reached from this survey is that the BES model's hypothesis about the relationship between unemployment and income is not confirmed by tests performed on aggregative data sets. One must conclude either that the theory is incorrect, or that the empirical tests are invalid.⁴⁶ There are substantial grounds for asserting the inadequacy of the empirical tests, some of which have been indicated above. Expansion of the litany of deficiencies is relatively easy.⁴⁷ For example, the theory has a micro-foundation, whereas the evidence is based on aggregative data. The theory applies to a population of individual potential offenders, whereas the data often relate to a much more general population. The theory assumes subjective estimates of income and of sanctions, while the data adopt objective values. The need to introduce control variables into the empirical analysis raises particularly knotty problems. In regression analysis, the common methodology of the selection of variables to include and to exclude, is often arbitrary, yet the decision often affects statistical outcome materially. Transforming a theoretical model into a correctly specified, correctly estimated empirical model raises additional problems which often find an *ad hoc*, essentially arbitrary resolution. The important fact is that the results of empirical research on aggregative data are to a very considerable extent the artifacts of discretionary research effort.⁴⁸ Hence, it is not surprising that empiricists have neither discovered a consistent, reasonably precise relationship between economic status and crime, nor reached a consensus that such a relation does not exist.

B. Evidence based on individual data

Although the crime causation theory which suggests a relationship between economic viability and crime is a model of individual behavior, few studies have used individual data to directly explore the nature of this relationship. Although early studies of the relationship between unemployment and crime used very simple analytic techniques,⁴⁹ these tests indicate that better labor market performance was associated with parole success and lower levels of criminal activity.⁵⁰ More recently, empiricists used multivariate (often simultaneous equations) statistical techniques. The work of Cook provides an early example.⁵¹ Cook examines the relationship between parole success and job satisfaction as measured by job stability. Using profit analysis, Cook controls for a number of other factors believed to affect parole success such as prior record, type of offense, marital status. Cook found parole success and arrests significantly related to job stability. By using both single equation⁵² and simultaneous equation Tobit techniques,⁵³ Witte, Sickles, and Schmidt explored the effect of wages and unemployment on length of sentence and conviction rates. This work provides consistent but weak support for the expected inverse relationship between higher wages and crime, but weak, if any, support for the relationship between unemployment and crime.

Taken together, the work using individual data surveyed above and the work exploring the nature of labor markets for ex-offenders⁵⁴ indicate that although offenders have little trouble finding jobs, those jobs they find are rather unattractive. The unpleasant nature of these jobs leads to high turnover rates. Offenders typical-

⁴⁴ R. Gillespie, *supra* note 15.

⁴⁵ Bartel, *supra* note 8; Forst, *supra* notes 26 and 36.

⁴⁶ A third logical possibility exists: both the theory and the tests may be valid, but the tests may not have been powerful enough, given the inherent variation in the data, to cause the consistent rejection of a false null hypothesis. Even if the alternative hypothesis were true, the fact that the null hypothesis is so infrequently rejected implies that the magnitude of the effect must be quite small, not differing appreciably from zero.

⁴⁷ Orsagh, *Empirical Criminology: Interpreting Results Derived From Aggregate Data*, 16 *J. Research Crime & Delinquency* 294, 295-306 (1979).

⁴⁸ *Id.* at 294.

⁴⁹ See, e.g., G. Pownall, *Employment Problems of Released Offenders* (report to the Manpower Administration, U.S. Dept. of Labor 1969); D. Glaser, *The Effectiveness of A Prison and Parole System* (1964); Evans, *The Labor Market and Parole Success*, 3 *J. Human Resources* 201 (1968).

⁵⁰ See, e.g., the articles cited in note 49 *supra*.

⁵¹ Cook, *The Correctional Carrot: Better Jobs for Parolees*, 1 *Pol'y Analysis* 11, 45 (1975).

⁵² Witte, *Estimating the Economic Model of Crime with Individual Data*, *Q. J. Econ.* 57 (1980).

⁵³ P. Schmidt & A. D. Witte, *The Economics of Crime: Applications, Theory and Methods* (1981) (forthcoming); Sickles, Schmidt, and Witte, *An application of the simultaneous Tobit model: A study of the determinants of criminal recidivism*, 31 *J. Econ. & Bus* 166 (1979).

⁵⁴ For a survey, see *Hearings*, *supra* note 15, at 25-34.

ly remain voluntarily unemployed for varying periods between jobs. Cook suggests that offenders will only "drop out" of crime if they are able to find relatively pleasant jobs with relatively good wages and advancement opportunities.⁵⁵ Unfortunately our knowledge of the labor market for these individuals⁵⁶ indicates that ex-offenders are unlikely to find such jobs without aid and even with aid often prove to be quite unstable employees.

Recently the Vera Institute⁵⁷ and the Rand Corporation⁵⁸ interviewed extensively prison inmates to explore the relationship between economic viability and crime. The findings indicate that the relationship between economic viability and crime is far more complex than suggested by our models.⁵⁹ Specifically, this research suggests that the nature of the relationship between unemployment and crime depends on the type of crime and individual involved.

Sviridofy and Thompson identify four distinct types of relationships between unemployment and crime.⁶⁰ First, the commission of some types of crime (white collar crime, employee theft) requires employment. For these types of crime, one would expect a decrease rather than an increase as unemployment rises. Second, some offenders mix employment and crime. These individuals either moonlight in criminal activities or use their legitimate jobs as a front (e.g., fences, drug dealers). For this group, like the first, employment and crime go hand in hand. For individuals moonlighting in crime, unemployment may increase criminal activity as predicted by our simple models; however, for those using legitimate employment as a front, unemployment may make criminal activity more difficult and may lead to decreased rather than increased illegal activity. Third, some offenders, particularly younger offenders, appear to alternate between employment and crime. For these individuals unemployment or dropping out of the labor force generally indicates a switch from legal to illegal income generating employment rather than unemployment as we normally perceive it. For individuals in this group, we would expect either a rise in unemployment or a drop in labor force participation to be associated with increased criminal activity. Apparently our simple model, "unemployment causes crime," is most relevant for this group. Finally, a small group (5 to 10 percent of property offenders) is firmly committed to crime for a primary means of support. For this group unemployment or non-participation in the labor market is a way of life and no relationship between unemployment and crime is expected.

Decreased employment is associated with decreased criminal activity only for individuals in group three, discussed above, and some individuals in group two. However, one might well expect a direct relationship between the quality of job and decreased criminal activity for some members of group one, two, and three. This expectation may provide at least a partial explanation for the stronger relationship found between job quality and crime than between unemployment and crime at the individual level.

C. Program-specific empirical evidence

Gauging the effect of improved economic viability on recidivistic crime provides another method to evaluate the relationship between economic status and crime. A review of rehabilitation programs that employ economic status instruments as a means of reducing recidivism yields mixed results. Wright and Dixon's examination of 96 juvenile delinquency programs shows that, at best, vocational training and education programs produce results that are promising.⁶¹ For example, work/study programs has no impact on recidivism or employment rates; job training and placement services has some impact on older juveniles, but not younger ones; and one work program showed positive results for black females, but no effect for white females or for males of either race.⁶² Robin's analysis of one juvenile employment program⁶³ showed that juveniles who accepted employment were just as likely to recidivate during and after the project as those who did not.

⁵⁵ Cook, *supra* note 51, at 45-47.

⁵⁶ Witte & Reid, *An Exploration of the Determinants of Labor Market Performance for Prison Releasees*, 8 *J. Urban Econ.* 313 (1980).

⁵⁷ Sviridofy & Thompson, *Linkages Between Employment and Crime: A Qualitative Study of Riker's Releasees* (Working Paper, Vera Institute of Just., 1979).

⁵⁸ J. Petersilia, P. Greenwood, & M. Lavin, *Criminal Careers of Habitual Felons* (1977).

⁵⁹ *Id.* See also Sviridofy & Thompson, *supra* note 57.

⁶⁰ *Id.*

⁶¹ Wright & Dixon, *Community Prevention and Treatment of Juvenile Delinquency: A Review of Evaluation Studies*, 14 *J. Research Crime & Delinquency* 35 (1977).

⁶² *Id.* at 48.

⁶³ Robin, *Anti-poverty Programs and Delinquency*, 60 *J. Crim. L.C. & P.S.* 323, 331 (1969).

Rovner-Piecznik reviewed fifteen pretrial intervention programs designed to improve the economic status of younger offenders.⁶⁴ While recidivism rates based on arrests appear to have declined during the program period, the longer term employment and recidivism effects could not be evaluated. Taggart examined two programs Project Crossroads and the Manhattan Court Employment project, and concluded that the programs were effective for adults but not for teenagers.⁶⁵

In-prison projects produce similarly diverse results. Taggart examined 55 projects based on the Riker's Island model for in-prison vocational training and found no effect on post-prison employment experience.⁶⁶ He also reports no relation between prison-industry work experience and post-release employment rates. Twenty-five vocational training programs examined by Abt Associates showed no impact on post-release employment, but a slight impact on recidivism rates.⁶⁷

Analysis of post-release services is equally inconclusive. Taggart concludes that manpower programs for ex-offenders have been ineffective.⁶⁸ Although the lack of a uniform measure of recidivism hampered comparability across programs, Toborg and others believe that employment services reduce recidivism rates in the short run, but that the recidivistic experience of the control and experimental populations becomes similar within three years of release.⁶⁹ The one Manpower Development and Training program for ex-offenders which permits scientific evaluation showed a favorable employment effect, but no recidivism effect.⁷⁰ A sample of Job Corps programs operating in 1977 showed that six months after program completion male offenders were less likely to be arrested than non-program participants.⁷¹ The facts that females did not do better than their comparison group and that the control groups were not randomly selected vitiate the significance of this finding.

Work release held such great promise that within a decade of its introduction, forty-two states had programs. Four of these state programs have been evaluated. Evidence suggests that the program in California substantially reduced recidivistic crime among former work-releasers.⁷² North Carolina's program had no impact on overall recidivism rates, but appears to have shifted recidivistic crime toward less serious offenses.⁷³ On the other hand, work release programs in Massachusetts⁷⁴ and in Florida⁷⁵ had no significant effect on post-release behavior, measured in a wide variety of ways.

Despite the comprehensiveness of some of the surveys reported above, our knowledge of the effect of rehabilitative programs is based on an extremely small sample of programs. The countless programs under-written by the once inexhaustible CETA fund have not been, and probably could not be, subjected to comprehensive evaluation. The same is true of the slightly less ambitious Neighborhood Youth Corps program. The magnitude of the problem might be gauged by considering the review of juvenile delinquency programs by Wright and Dixon.⁷⁶ Of 6,600 programs surveyed, only 96 provided empirical data. If one imposes upon these few programs the essential condition that the program randomize its subjects and that it use a control group, the 6,600 programs probably would be reduced to a very small number, possibly zero.

⁶⁴ R. Rovner-Piecznik, *Pretrial Intervention Strategies: An Evaluation of Policy-Related Research and Policymaker Perceptions*, (1974).

⁶⁵ Taggart, *The Prison of Unemployment* 108 (1974).

⁶⁶ *Id.* at 41-44.

⁶⁷ Abt Associates, Inc., *An Evaluation of MDTA Training in Correctional Institutions* (1971) (vols. 1-3 and final summary, Washington, D.C.: AAI).

⁶⁸ Taggart, *supra* note 65, at 80-83.

⁶⁹ M. Toborg, L. Center, R. Milkman, & D. Davis, *The Transition from Prison to Employment: An Assessment of Community-Based Assistance Programs* (1977).

⁷⁰ Rovner-Piecznik, *supra* note 64.

⁷¹ Mathematica Policy Research, Inc., *Evaluation of the Economic Impact of the Job Corps Program: First Follow-up Report* (Princeton, N.J. 1978).

⁷² Jeffery & Woolpert, *Work Furlough as an Alternative to Incarceration: An Assessment of its Effects on Recidivism and Social Cost*, 65 J. Crim. L. & C. 405, 414 (1974); Rudoff & Esselstyn, *Evaluating Work Furlough: A Followup*, 37 Fed. Probation 48 (1973).

⁷³ Witte, *Work Release in North Carolina—A Program that Works!* 41 Law and Contemp. Prob. 230 (1977).

⁷⁴ D. Leclair, *An Evaluation of the Impact of the MCI-Concord Day Work Program* (Massachusetts Department of Corrections 1972).

⁷⁵ Waldo & Chiricos, *Work Release and Recidivism: An Empirical Evaluation of Social Policy*, 1 Evaluation Q. 37, 102-104 (1977).

⁷⁶ Wright & Dixon, *supra* note 61, at 36-37.

IV. RECENT POLICY INITIATIVES

Two new programs, designed to enhance the economic status of prison releases, were introduced in the early 1970s. Baltimore implemented a transitional aid-program, termed LIFE (Living Insurance for Ex-Prisoners), in 1971.⁷⁷ A non-random sample of "high risk" releases was selected. The individual selected for program participation had to be a male, less than 45 years old, with several prior convictions, at least one of which had to be a property offense. He could not be an alcoholic or drug addict, could not have participated in a work release program for more than three months, and could not have more than \$400 in savings. This population was divided randomly into four groups: Group A received job placement services only; Group B received an income subsidy of \$60 per week for 13 weeks; C received both job placement services and the income subsidy; D, the control group, received neither money nor services.

In the first year after project completion, the performance of Groups A and D (no income supplement) was similar. Groups B and C had lower recidivism rates (as measured by arrests) for property crime offenses, but their employment record and their non-property offense rates were similar to the control group.⁷⁸ Despite these mixed results, from a cost/benefit point of view, the LIFE program was a success.⁷⁹

Georgia & Texas have since implemented the LIFE program, renamed TARP (Transitional Aid Research Project), with several substantive modifications. Whereas LIFE was restricted to a select population of releasees, TARP was available to all releasees applying to their state's Employment Service Office, if one existed in their area.⁸⁰ Contrary to the LIFE program, in which an ex-offender's legitimate earnings did not diminish his income subsidy, TARP reduced the income subsidy of legitimate earnings were reported. Finally, state agencies administered TARP, whereas a non-profit, non-governmental agency administered LIFE.

Given the nature of these program modifications, that TARP's experience has been disappointing is not surprising. The experimental and control groups have similar recidivism rates when measured by arrests. And, more significantly, employment rates and earnings of the experimental group are *lower* than those of the control group. However, when one controls statistically for the work disincentive of the program, individuals receiving TARP payments had significantly fewer arrests for both property and non-property offenses than individuals who received no such payments. In addition, consistent with job search theory, employed members of the treatment group earned higher weekly wages than members of the control group.⁸¹ Considering the indiscriminant way in which TARP was administered, these results are quite encouraging.

An alternative supported work program, instituted by the Vera Institute of Justice in 1972, provided subsidized employment to selected ex-addicts. The supported work program created a "low stress" environment, involving close supervision, peer support, and a gradual increase in environmental conditions that demand responsible behavior. Cash bonuses and "psychic rewards" were offered to participants as a means of developing self-discipline and other behavior patterns conducive to a successful work life.⁸² An interim evaluation of the program indicates higher earnings, fewer arrests, and less welfare benefits for participants than for the control group, and a favorable cost/benefit ratio.⁸³

The Vera model has since been substantially revised and extend under the general direction of the Manpower Development and Research Corporation. The expanded program included four population subsets: ex-addicts (the Vera population), ex-offenders, AFDC mothers, and young school drop-outs. Program details, job characteristics, and the type of administrative agency vary from location to location, but the essential features of the Vera model are retained. Results for the program are mixed.⁸⁴ For all groups, the experimental populations did better than the control

⁷⁷ Lenihan, *When Money Counts: An Experimental Study of Providing Financial Aid and Job Placement Services to Released Prisoners* (Bureau of Social Science Research, Inc., Washington, D.C. 1976).

⁷⁸ See U.S. Dep't of Labor, *Unlocking the Second Gate* (1977).

⁷⁹ Mallar & Thornton, *Transitional Aid for Released Prisoners: Evidence from the LIFE Experiment*, 13 *J. Human Resources* 208, 233 (1978).

⁸⁰ The criteria appear to be equally non-discriminatory in areas having no Employment Office.

⁸¹ See P. Rossi, R. Berk, & K. Lenihan, *Money, Work and Crime* (1980).

⁸² This description was provided to the authors by the Vera Institute staff which ran the original program.

⁸³ Friedman, *An Interim Evaluation of the Supported Work Experiment*, 3 *Pol'y Analysis* 147, 153-68 (1977).

⁸⁴ Board of Directors, *Manpower Demonstration Search Corp., Summary and Findings of the National Supported Work Demonstration* (1980).

group in labor market performance during program participation. After termination of the program, ex-offenders, but not ex-addicts, continued to show better labor market performance than the control population, although the differences between the control and experimental populations were not significant. The impact on recidivism rates, based on arrests and incarcerations, and derived largely from self-reports, was mixed: ex-addicts appeared to be favorably affected, but ex-offenders were not.

V. FUTURE RESEARCH: PROBLEMS AND PROSPECTS

In summary, the neoclassical theory of crime causation in its more general HBL formulation yields no a priori support for the relationship between economic status and crime. An enhancement of legitimate income and employment opportunities may or may not induce a shift out of criminal activity. Research using aggregate data provides only weak support for the simple proposition that unemployment cause crime. Moreover, research using such data does not provide convincing tests of the relationship between low income and crime. In contrast, research using individual data provides consistent but weak support for the proposition that higher income is associated with lower levels of criminal activity, and weak, if any support, for unemployment being significantly associated with criminal activity. Finally, the programmatic literature provides glimmers of hope among mostly insignificant program effects.

Nevertheless, we are not prepared to reject the hypothesis that crime and economic status are related. We contend that the evidence that we have presented represents at best a very imperfect test of the BES model and no test whatsoever of the more general HBL model. The theory predicts a relationship between economic status and crime only under special conditions, one of which is that the change in economic status must be significant enough to induce an exchange of illegitimate activity for legitimate activity or vice versa.

This carries several implications. First, the value of the bundle of commodities and services consumed by an individual, including the economic payoff, must exceed the value of the bundle presently being consumed. For many (most?) drug addicts and alcoholics this condition is not met. To obtain and to maintain an enhancement in economic status, this population is effectively required to substantially decrease its drug or alcohol intake, the value of which is likely to far exceed the value of the usual program payoff.

Second, the economic payoff must compensate the individual for any increase in cost associated with the expenditure of time and effort at legitimate and illegitimate activity. Thus, individuals who find the steady, routine, hard work that typifies much legitimate work to be highly distasteful are not likely to find the programmatic payoff sufficient inducement to give up illegitimate activity. Conversely, an individual for whom a criminal act is extremely repugnant is not likely to turn to crime because of a substantial reduction in legitimate income.

Finally, improved economic status will have little effect on that segment of the population that treats leisure time as a variable. Persons in this group may respond to economic opportunity by accepting legitimate work at the expense of leisure while maintaining their level of illegitimate activity. Alternatively, an individual may simply shift between leisure and criminal activity, devoting a constant number of hours to legitimate activity. The latter situation would seem to be the *modus operandi* underlying much violent crime, crimes against the public order, drug offenses, and teenage "hell-raising."

Thus, a relationship between crime and economic status exists under the HBL formulation only with reference to a particular population: A population for whom small (marginal) differences in returns are significant, and for whom legitimate and illegitimate activity are substitutes (i.e., leisure is not variable). If this particular population, which Zimring and Hawkins called the "marginal group,"⁸⁵ is rather small relative to the aggregate offender population, then empirical tests for the existence of a relationship between economic status and crime that rely upon global estimates of income levels and employment rates, such as those described above, can be expected to yield inconclusive results.

Once the BES theory's implicit empirical assumptions are exposed and the population is understood from a "marginal group" perspective, the disappointing performance of so many rehabilitation programs becomes explicable. With few exceptions, rehabilitation programs that employ economic status instruments have treat-

⁸⁵ Zimring & Hawkins, *Deterrence and Marginal Groups*, 5 J. Research Crime & Delinquency 100, 104-105 (1968).

ed populations whose members generally bear little or no resemblance to the marginal group presupposed by theory. Individuals treated in these programs include young teenagers, drug addicts, alcoholics; habitual felons, morals offenders, and individuals who show a strong distaste for steady work at normal wage rates. Given such a clientele, disappointing results should be the rule rather than the exception. To be effective, a program must treat individuals that "fit" the model.

The model's abstract requirements are readily transformed into meaningful empirical identifiers. Offenders who come closest to fitting the model tend to be older, more educated, and married. They have no major alcohol or drug problem; their history demonstrates a willingness to work; their crime was motivated by a desire for monetary gain; and their economic status is quite low. An offender population that conforms to this description and is offered some form of economic incentive almost surely will respond by significantly reducing its recidivism rate.

Our confidence in this proposition is rooted in a theory of human behavior that is intuitively plausible and that obviously "works," at least with reference to micro-economic behavior. The application of this theory to offender behavior, qualified as we have indicated above, is conceptually straightforward. Although there is no record of a rehabilitation program that tests this theory by applying an economic status instrument to an appropriate offender population, two recent programs provide a partial, though admittedly a very imperfect, test of our proposition. Those are the LIFE (including TARP) and the supported work programs. Despite the inclusion in these programs of population segments that were clearly inappropriate according to our criteria, the results for these programs are quite promising.

We recommend the development and implementation of a carefully designed set of programs to improve economic viability for a group of individuals whose criminal activity appears likely to be affected by improved economic prospects. Once implemented, the program should be subjected to rigorous evaluation, involving random assignment. An experimental evaluation of such a program, when combined with detailed time-allocation information on participants, could greatly enhance our understanding of both the nature and strength of the relationship between economic viability and crime and help to develop effective rehabilitative programs.

[From the Center for Information on America, Washington, Conn.]

THE "UNDERGROUND" ECONOMY

EARNINGS THAT GO UNDECLARED ON INCOME TAX FORMS

(By Penny Singer)

April 15 is tax day for most of us, but not for all of us. An estimated 20 million Americans didn't pay any income taxes at all in 1980 and others paid only partial taxes.

In ways small and large, people in all walks of life carry on economic activities that go unrecorded.

For example, a Connecticut plant manager who is also a good amateur photographer spends his weekends taking portraits of children.

"It started," he said, "when my neighbor wanted me to take a picture of his kids for the grandparents in Ohio. I did it as a favor, but then when other neighbors asked me to take their kids. I began to charge, and I made a point of being paid in cash. Last year I netted \$2,000 enough for a trip to Florida."

From Monday to Friday, Paul W. sells space for a Westchester newspaper. Weekends and holidays he's up in the trees, pruning, cutting and repairing storm damage. He estimates he earns about \$5,000 as a tree man; about 25 percent of his annual income.

Neither man reports the supplementary income on his tax return. But neither do the women in New Jersey who have been running weekly garage sales. They started with the contents of their own homes; now they go to flea markets, buy close-outs and hunt other tag sales to get merchandise.

All of them are members of what has come to be called the "underground" or subterranean economy, a vast honeycomb of economic enterprises, ranging from peddling narcotics, to waiting on tables, to selling vegetables at a roadside stand.

What this group has in common is that they are all compensated for goods or services mostly in cash, and what they earn goes unreported to the Internal Revenue Service.

SIDELINES

None of the people interviewed feels that he or she is doing anything illegal. All of them say they pay taxes. The plant manager doesn't think of his photography sideline as a "real" business, but as a hobby that gives him a few extra bucks. The treeman claims he's not doing anything wrong because his second job "only lets him keep up with inflation." The women view their garage sale activities as "found money." "It's not a business," said one of them. "We just do it for fun."

\$200 BILLION UNREPORTED

Whatever the motives, the profits from all of these underground economic activities are cheating Uncle Sam out of billions in taxes every year. The most conservative estimates put the value of the "off the books" economy at about \$200 billion a year. And while untaxed income has become a way of life for millions of people, the rest of us are paying for it.

Some economists estimate that if taxes on all unreported incomes were paid, the income tax for the rest of us could be reduced by a substantial amount . . . almost 10 percent.

The phrase "subterranean economy" was coined by Peter Gutman, Chairman of the Department of Economics and Finance at Baruch College of City University in a 1977 article in *Financial Analysts Journal* in which he focused attention on the existence of what he termed a cash-based off-the-books economy worth almost \$200 billion a year, or a full ten percent of the existing gross national product.

Professor Gutman pointed out that if only 20 percent of the off-the-books economy were to go on the books, U.S. employment would increase by some 1.6 million workers. He contends that so much money being hidden from tax officials by so many Americans is an indication of public contempt for the tax system and government regulations.

Harry T. doesn't agree. He says he needs the money to support his family. A carpenter, he was laid off four months ago and has been collecting unemployment benefits ever since. He's also been collecting up to \$300 a week working on remodeling projects for customers who pay cash. So far, he's made \$4,000 while he's unemployed, and he doesn't intend to pay taxes on one penny of it.

"I don't feel contempt for the tax system. On the contrary, I've always been a very honest fellow. But inflation is killing me. Everything costs more and we have less to spend."

The underground economy also involves a veritable army of people who work at jobs not subject to withholding taxes—taxi drivers, music teachers, house painters, free-lance writers, peddlers—are suspected of being a major element. Some have never paid taxes and the IRS claims about 47 percent do not report all their earnings.

A Brooklyn house painter, for instance, gives customers a 20 percent discount for cash. Instead of putting the money in a bank, where it would be reported as an asset, the house painter pays for everything in cash, often getting a discount from people playing the same game. When he needed a new transmission for his station wagon, the mechanic at the neighborhood auto repair shop knocked off \$50 for cash. And Uncle Sam didn't make a dime on either transaction. Although the house painter earned over \$20,000 last year only \$10,000 appeared on his tax form.

BARTER

And then there are the deals in which no cash ever changes hands. The barter system, fueled by inflation recession, is gaining in popularity across the country.

Barter transactions, once confined to farmers with swapping eggs for calico, have become much more sophisticated. A writer in Westport, Connecticut "ghost writes" a book for a lawyer in return for legal services in his divorce case. Neither reported the value of the service they received as income.

Similarly, a New York City dentist gives the plumber who takes care of his summer house in Putnam, Conn., free dental care in exchange for plumbing services. Neither man sees anything wrong in their arrangement. The dentist says, "I'm no tax dodger. I pay plenty to the government every year. If I want to trade my professional services once in a while, I don't see any harm in it."

Another man, the publisher of a regional magazine routinely runs full page ads for a steamship line. In return he and his wife get a two week "freebie" on a cruise ship. He justifies his free vacation by saying it is an accepted practice in business. "These trades happen so often that he can't keep track of all the resorts, the limo services, and so forth that want to trade with us. And what about the celebrities

who give cooking courses and economic lectures and the like aboard? You don't think they're paying do you? It's a trade, and I very much doubt if anyone reports the trip as income."

EXPENSE ACCOUNTS

Living high on expense accounts is another favored way to generate what amounts to unreported income. A Greenwich executive, whose golf club membership is a company "perk," regularly entertains his family and friends at the club and writes it off on his expense account, as he does with gold lessons for his 16 year old son. Another executive who travels extensively on business, regularly visits the hotel beauty and charges it to her hotel bill. She hasn't paid for a wash and set in years.

WHAT TO DO?

What are the implications? Are the pressures of the inflationary economy so great that our system of voluntary tax compliance is in danger of breaking down? Are high income taxes to blame? And how long will honest taxpayers be willing to foot the bill for their government by paying even higher taxes to make up for the tax dodgers?

Not everyone gets away with failing to report income, says a spokesman for the IRS office that covers Manhattan, Westchester, and Rockland Counties. "While we're well aware that there is a substantial amount of income that goes unreported, this office hasn't been able to find evidence of any reliable clear cut upward trend. Our estimates of total unreported income don't indicate that the system is falling apart. The evidence we've turned up indicates that more Americans overpay their income taxes. A greater majority consistently pays too much, rather than too little. As a matter of fact, more employees are in the habit of having more money withheld weekly than they need to.

"We're trying to discourage that practice. Why have your income in the coffers of the government before you have to, we ask? Our feeling is that only a small number of people slip through. And we make a very strong effort to identify the culprits. Barter transactions, under reporting of tips, any other undeclared income eventually comes to our attention. How? Because two people know about it, and one of them is liable either to talk or leave a trail we can follow.

"Whenever you buy something, the materials to do an off-the-books carpentry job for instance, you leave a trail. And people who work at regular jobs, not subject to withholding taxes—taxi drivers, insurance agents, real estate brokers etc.—are people in critical areas and we are very much aware of them. They get close scrutiny."

IRS Commissioner Jerome Kurtz contends that the IRS was not able to find any clear trend in the level of tax evasion, yet the IRS has a backlog of one million uncompleted investigations and over three billion owed it on uncollected accounts. Observers say that the IRS lacks the manpower and the necessary tools to track down all the people who fail to report all their income.

WORLD WIDE

The subterranean economy is flourishing all over the world. The Paris based Organization for Economic Cooperation and Development (OECD) reports that tax evasion and avoidance "are on the increase in many countries."

In France and Italy evasion is a way of life. The French call it "travail au noir" roughly translated as moonlighting. And the French government estimates that approximately 25 percent of France's 25 million workers moonlight on a regular basis and pay no taxes on their moonlighting activities. Estimates are that tax fraud costs France between four and 15 billion a year.

In Italy, where tax fraud has ballooned to crisis proportions, neither the government nor the labor unions seem to have any control over the millions of Italian citizens who owe money to the state who have never filed a tax return. It is estimated that as much as 24 billion dollars is withheld from tax collectors.

EVEN IN SWEDEN

Even in Sweden where people were known before World War II as law-abiding tax payers, tax evaders are appearing in greater numbers. Rapidly growing welfare benefits and heavy tax burdens to pay for them have resulted in rising discontent among Swedish tax payers. Swedish authorities estimate that tax dodgers are costing the government 10 to 15 percent of the national budget.

West Germany is also troubled by a rise in moonlighters. The participants called "schwarzarbeiter" or black workers produce \$12 billion of income-off-the-books, or about two percent of the German gross national product, according to a survey made by the Central Association of German Crafts, an organization representing small business.

WHY THE GROWTH?

Dan Bawly, the international liaison partner of Horwath, Bawly, Millner & Company, in a recent article in *Perspective* magazine, points out that in Western Europe, tax evasion was believed to be a minor problem in the first two decades following World War II. Then, economic growth began to slow down while government budgets continued to increase as compared with the GNP. The pace of inflation and the size of unemployment became the overt signs of these modern economic shortfalls. At the same time, though less noticed, tax evasion became far more common, until it is currently an active force, spreading to and influencing many sectors of the world's free economies. Growing mass disapproval of the economic management of different countries is leading to a new kind of resistance (in the form of tax evasion) practiced by many and condoned by more. There is no evidence that this situation is about to change.

Most tax officials in countries in the western world paid little heed to signs of these developments and took no serious steps to offset their spreading into the areas affected today. In some cases, officials charge those who were warning of the phenomenon with dangerously encouraging it. Despite the many indications that tax discipline has been declining, little has been done to stop the leaks even where most obvious.

ILLEGALS

There are other reasons why certain employees believe it necessary to avoid income taxes and social security levies. Many laborers in Western Europe and in parts of the U.S. are illegal aliens with no work permits. They are eager to work, often for cut-rate wages, preferably cash that is untraceable. Until recently, their numbers were increasing considerably. In the U.S. for instance, the size of the illegal work force in California and Texas can only be surmised. This illicit labor force, with its nonunion character and capacity for hard work at low wages, was an attraction to potential employers who were willing to support the growth of the black economy.

CONTROL

To bring the underground economy above ground many economists and government officials believe massive cuts in personal income taxes are in order.

"The taxes are raised, through inflation or legislation," said Representative Jack F. Kemp of New York recently, "many Americans are forced to choose between supporting their government and supporting their families. A cut in tax rates would encourage people to produce, save, invest. It would result in greater job opportunities, higher real wages and profits, and less of an underground economy."

Terri Schultz, writing in *The New York Times Magazine*, quotes economist Edgar L. Feige of the University of Wisconsin. Professor Feige says "Until people really believe that there is equal treatment in taxation and that everybody's paying their taxes again, we won't be able to touch the problem. The only way to persuade people the tax system is fair again is to throw out the tax code and start, *carte blanche* from scratch. We need a simple single tax form we can read and understand. That's a radical suggestion, but I don't see any other way. Simplicity is important: the more complex the tax structure, the greater the opportunity to play games with it. It's commonsense. But we've forgotten commonsense in economics."

Dan Bawly says the subterranean economy will continue to thrive as long as:

Government authorities are unable to devise the ways and means to come to grips with the black economy and to apprehend and punish the practitioners.

Government use of its spending instruments remains as inefficient as it is today.

The authorities do not acknowledge that it is a far more serious social malady than they are prepared to admit at the present.

Substantial parts of society are active in the subterranean economy and, even more, condone it.

"As a crime," says Mr. Bawly, "tax evasion cannot be compared with more extreme criminal activities such as terrorism, murder, and grand larceny. Yet in many ways, not the least of which are its subversive elements, its danger to the world's

security could be more lethal if allowed to flourish. The vast and continuing growth of the subterranean economy during the past decade is one of the most serious threats to our way of life to arise since the end of World War II.

"To uphold and perpetuate a free and open Western society, those responsible must rethink and revise their countries' tax systems, and reformulate the scope of government responsibility toward the individual. Only less not more government has a chance of effectively diminishing the scope of the subterranean economy."

And the long run costs of heavy taxation are illustrated dramatically by a Treasury Department projection. The Treasury Department took 1929 income tax returns and projected them to 1973 levels. That projection indicates that the average income for the group earning over \$72,000 should come to \$282,000. But actual returns for 1973 showed an average of only \$123,000. Part of the difference no doubt reflects the incentive to avoid taxes as tax rates rise sharply, showing that people are, indeed, doing business off the books.

[From the AFL-CIO American Federalist, Nov. 1978]

THE CRIME-UNEMPLOYMENT CYCLE

(By Barbara Becnel)

A segment of the U.S. society lives on the edge of the economy, where legitimate opportunities practically don't exist.

This fringe of society is found, for the most part, in the nation's urban areas. They make up an army of unemployed persons—where private sector jobs are simply not available and where there are not enough public sector jobs to go around. In addition, they are young. For many, the search for economic survival leads to a life of crime. In effect, crime becomes their employment. There are few alternatives.

These young people are victims; victims of an economy that is failing to provide the most basic of needs—jobs at decent wages for all those who are able and willing to work.

Further, they are without the economic and social support systems which their middle-class counterparts have for many years beyond high school. They are able to return home several times while preparing for a career, and before becoming independent. During the years of their education they may also be able to obtain part-time jobs and, therefore, work experience that will prove beneficial in years to come.

Such is not the case for many of the urban youth residing in high unemployment areas. Frequently, their families are experiencing severe economic hardship and are thus unable to help their offspring. Moreover, it is not unusual for the young unemployed person to be viewed by the family as an economic burden. Hence, these young people must be able to survive on their own. Unfortunately, jobs are scarce in most urban centers, and where there are jobs it is highly likely that the skills required will not match those of the inner city residents. The result is that many young people are entering adulthood without ever having had the opportunity to obtain valuable work experience and skills.

One result of long periods of joblessness has been high crime rates, particularly in the number of property crimes—robbery, burglary, larceny or auto theft—committed by youthful offenders. In addition, across the country, inner city youths are between 10 and 20 times more likely than other young people to be arrested for violent criminal offenses. Sustained unemployment breeds frustration, anger and despair. It promotes an explosive environment.

And a youth caught committing an offense is often stigmatized and further estranged from the labor market. Employability drops another notch.

Thus the link between crime and unemployment is critical. Unemployment contributes to crime; crime contributes to unemployment—the cycle is vicious.

This vicious cycle is reflected by an analysis undertaken in 1974 by two economists, Harold Votey and Llad Phillips. They found many youth crimes are committed in response to a lack of economic opportunities, and that youth crime rates varied not only with unemployment rates but with labor force participation rates as well. When there is a drop in labor force participation rates—the proportion of the civilian non-institutional population that is employed or actively seeking work and therefore officially counted as part of the labor force—it means that the ranks of the discouraged workers have increased. In other words, youths have given up their job search in frustration because of one job turndown after another.

This is particularly alarming in light of the low labor force participation rates of black youths. By 1976, their participation rates had reached the point where only

two of every five even made an effort to obtain a job. Even when participation rates reached record highs for all young men and women, black youths in the inner city were still maintaining significantly lower participation rates than their white counterparts. To illustrate, in July 1978, the labor force participation rate for white persons 16-21 years of age was 76.8 percent. For minorities the rate was only 63.8—a gap of 13 percentage points.

Numerous other studies confirm the relationship between crime and unemployment. One, commissioned by the congressional Joint Economic Committee, shows the cumulative impact of a rise in unemployment that occurred during 1970.

That year, unemployment rose by 1.4 percentage points to 4.9 percent. The study shows that the 1.4 percent increase was associated with a 5.6 percent increase in state prison admissions and an 8 percent increase in homicides from the period 1970 through 1975. Worse, these percentages are subject to a multiplier effect in subsequent years because the statistics cited reflect only the impact of the 1970 increase in unemployment. The subsequent years' increase in unemployment is expected to approximately triple the above quoted percentage increase in state prison admissions and homicides.

Records from an organization called the Pennsylvania Program for Women and Girl Offenders (PPWGO) provide additional statistics:

98 percent of the women offenders that are provided services by PPWGO are unemployed at the time of their arrest, and

during the period 1971-73, approximately 45 percent of women in the Pennsylvania state prison or on state probation had been convicted of economic crimes such as theft, larceny and forgery;

almost half were first convictions.

An analysis of many variables that affect the size of the federal prison population has been conducted by the Federal Bureau of Prisons. And of all the variables examined, this study shows unemployment was related the most positively to the federal prison population. The analysis noted that when the unemployment rate for men 20 years old or over moved—either up or down—the federal prison population increased or decreased respectively. However, the change in prison population was not immediate, with an approximate 15-month lag between the arrest, conviction and actual confinement in a federal penitentiary.

Another study, by Duke University's Center for Justice Policy, also established the clear link between crime and unemployment. This study found that parolees who were able to obtain employment were less inclined to continue in criminal pursuits than parolees who remained unemployed. This finding has significant policy implications since research shows that the unemployment rate for ex-offenders is nearly three times the overall rate of employment.

A job plays a crucial part in everyone's life. Having a job determines not only the type of life, but to a large extent how a person is seen or defined by the outside world. Indeed, a job frequently determines how a person sees or defines him or herself.

A former U.S. Commissioner of Education, Terrel H. Bell, succinctly outlined the meaning of employment in the following statement:

"Work in America is the means whereby a person is tested as well as identified. It is the way a youngster becomes an adult. Work shapes the thought, and life of the worker. A change in atmosphere and lifestyle can be effected by an individual by simply changing the way he or she makes a living. For most of us in adult life, being without work just is not living," Bell said.

Employment is particularly critical to the 16-24 year old. It is during this period that career patterns will be established—legitimate and illegitimate.

Yet precisely that age range is experiencing the highest rates of unemployment, and is engaging in a disproportionate number of criminal acts, particularly property offenses.

Public policy has too often been left dependent on "the law" to change anti-social behavior that is caused by economic deprivation. In other words, society has too often opted to cure crime by dealing with the results and ignoring the causes.

When people are denied the chance to grow and prosper because of inadequate economic opportunities they can be expected to suffer and to therefore react to the stress in a way that is abnormal and unacceptable in the general social framework. Crime is only one of many outcomes. Suicide, alcoholism and drug addiction are others.

Thus, age is a key factor with regard to both crime and unemployment. To illustrate, during the first seven months of this year the unemployment rate for youths between the ages of 16 to 19 averaged 16.4 percent. For young people in the 20 to 24

age category, the unemployment rate was 9.9 percent. The national average for all age groups, however, was 6.1 percent.

Further, the most recent data from the Justice Department shows that arrests for the 16 to 19 age group accounts for approximately 50 percent of all property crimes—offenses of burglary, larceny-theft and automobile theft—even though they made up only 43 percent of those charged with criminal offenses. Further, this age group represents only 17 percent of the total population.

Race is also an important factor to be considered when analyzing both the potential and accused offender populations. Blacks have always recorded unemployment rates that far exceeded the national average and, therefore, the average of their white counterparts. For example, in 1977 the unemployment rate for black males and females 20 years and older was 10.9 percent. The unemployment rate for whites in that same age category was 5.4 percent.

The rate for black youths is appalling—approximately 2.75 times the rate for whites the same age. The unemployment rate for blacks in the 16 to 19 year age group was 41.1 percent in 1977. For whites that same age the rate was 15.4 percent.

In addition, blacks are overrepresented in the number of arrests for both violent and property crimes. A little more than 47 percent of the arrests for violent criminal acts—murder, forcible rape, robbery and aggravated assault—were of black people. For property crime arrests the percentage is lower, approximately 31 percent. Whites were underrepresented in both criminal categories—averaging 50 percent of those arrested for violent crimes and 67 percent of those arrested for crimes against property, although whites make up 72 percent of the persons charged with all criminal offenses.

Offenders also come from marginal occupations, where higher levels of unemployment are common.

Nonfarm laborers, for example, averaged a 12 percent unemployment level during 1977 and a 13.7 percent level in 1976. The national average was 7 and 7.7 percent, respectively. For operatives (except transport) the rate was 9.5 percent in 1977 and 10.8 in 1976. Service workers, another high unemployment occupation experienced a 1977 rate of 8.2 percent, having recorded 8.7 percent in the previous year. Not surprisingly, releases from federal prisons were heavily represented in these same occupations. Approximately 50 percent of the releases from federal prisons held unskilled or service jobs prior to incarceration. Additionally, federal prisons have an over-representation of inmates whose previous occupation have been that of a laborer. In general, incoming prison populations can be characterized by their unemployed status, their irregular work history, low income levels and marginal—in and out of the labor force—work patterns.

Additionally, both potential and accused offenders have disproportionately high inner city residences. High rates of unemployment, low skill levels, large concentrations of youth and high crime rates are in abundance in urban areas. In fact, nowhere can this link between crime and unemployment be seen more clearly than in inner cities, and nowhere has the effect been more devastating.

The unemployment rate of central cities has increased precipitously in recent years, moving from 4.8 percent in 1970 to 8.9 percent in 1978. These high rates can in part be attributed to the large concentration of unemployed blacks that are housed in inner cities. Indeed, nearly 60 percent of unemployed blacks live in central cities as compared to 27 percent of unemployed whites.

Justice Department data show that the rate of arrests per 100,000 inhabitants is quite high for cities with populations over 250,000. For example, in the violent crime category the arrest rate per 100,000 was 382. In other words, for every 100,000 residents in a city with a population of over 250,000, 382 were arrested for committing violent crimes. The corresponding arrest rate for suburban areas was 137 per 100,000 inhabitants; and for rural areas 128 as of 1976, the most recent year available.

Arrest rates for property crimes were much higher, registering 1,110 per 100,000 for cities with a population of 250,000 or more; 753 for suburban areas; and 407 for rural areas.

Certainly, the concentration in urban areas of distressing, high-crime conditions has played a major role in the decision of many firms to leave urban areas, which in turn, further exacerbates the job shortage and feeds the appalling conditions that prompted the firms' flight.

Accompanying this flight has been a loss in annual personal income for cities. In the two-year period 1976-77, alone, central cities lost \$18.1 billion in aggregate annual personal income. In general, those that are leaving the city have higher incomes than those that are left in central cities.

Thus, the unemployed, low income, unskilled urban dweller who is a potential, if not already accused offender, must be provided meaningful economic alternatives to crime. On the whole, however, existing policy and programs have yet to provide those alternatives.

Basically, current programs can be broken down into two major categories: Programs that make crime more costly to the offender; and Programs that provide employment and training for the offender.

With few exceptions, there is very little emphasis being placed on programs designed to deter the potential offender.

It's a popular concept that making punishment severe and swift is a sure-fire way of eliminating high crime rates. Many economists have translated this concept into a cost-benefit analysis which suggests that by increasing the cost of crime—making sentences more harsh and swift—to the criminal, it will reduce crime rates.

But this approach only gets at those persons that commit crimes and are apprehended and convicted. So a measurable reduction in the crime rate will come about only if a small number of crimes go unsolved. Also, this approach has the critical flaw of not dealing with the person outside of the mainstream economy—the fringe person, or potential offender. If anything, the swift and sure punishment approach will probably succeed at making the potential offender improve his or her defenses against getting caught, since the root reason for committing the crime—lack of economic alternatives—will still exist.

The experience with employment and training programs for offenders has been numerous and varied. Nonetheless, this approach recognizes the need for an offender to be provided with economic stability. However, these programs also have problems—such as training that provides no employment or only marginal and low paying employment with limited, if any, upward mobility.

Successful employment and training programs must provide not only jobs for ex-offenders, but also potential for advancement to jobs of some quality. In fact, reducing recidivism may hinge on the issue of the kind of jobs made available.

In a study conducted by George Pownall and Daniel Glaser, parolees were observed to be considerably selective in the type of employment they were willing to accept. This held true even though the labor market held out few, if any, quality jobs to parolees. Still, parolees were loath to accept low-quality, dead-end jobs. These observations were reconfirmed by research undertaken by economist Philip Cook of Duke University.

In Cook's 1973 study of parolees from Massachusetts penitentiaries, it was observed that parolees over the age of 25 tended to remain on a job longer if the pay was relatively high. Further, Cook discovered that parolees stayed on the job one month longer for every extra \$7 per week they were paid.

The AFL-CIO Human Resources Development Institute (HRDI) has taken note of the direct link between recidivism and the quality of jobs—and is thus one of the exceptions to the rule. HRDI—the manpower arm of the AFL-CIO—offers a wide range of employment assistance programs for ex-offenders. Further, HRDI's programs acknowledge the ex-offenders need for a decent, well paying job. One such program—Job Development and Placement—places more than a thousand ex-offenders a year in jobs. Moreover, the jobs are primarily with companies that have union collective bargaining agreements. And studies have shown that union jobs pay higher wages than comparable nonunion jobs. Moreover, union jobs offer stability and potential.

HRDI has representatives in more than 50 cities that work with employers on job development for offenders. These representatives also work with employers to revise employment practices that bar ex-offenders from being able to obtain employment. In New York state alone, ex-offenders are barred from more than 40 occupations. Such policies restrict even further the already limited employment opportunities of ex-offenders.

In addition, HRDI has established an offender job counselling program that enables HRDI representatives to work with prisoners and the courts in assessing an ex-offenders future employment plans. Ex-offenders are helped in determining their skill level and are assisted in locating training if needed.

HRDI also provides a job referral service to newly released inmates throughout the nation. Prior to an inmate's release, HRDI staff in the city where the penal institution is located contacts an HRDI representative in the city where the released inmate is returning. The HRDI staff in that city, upon the release of the prisoner, helps the former inmate obtain a job.

Additionally, HRDI serves as an innovative program developer for labor groups and companies interested in dealing with specific employment problems of ex-offenders.

HRDI has, as a result, been involved in such activities as getting unions to intercede for first time offenders in pre-trial intervention programs; helping unions to become involved in arranging for offenders to obtain jobs to work off their fines; and with HRDI's help unions are becoming more and more active in providing special employment assistance for women offenders.

Alleviating the problem of training people to learn skills that are not needed is another of HRDI's priorities. In fact, HRDI staff utilities contacts with both local unions and companies to set up in-prison and community-based training programs to offer skill training in those areas where there are currently skill shortages.

Studies of the effect of manpower programs all point to the necessity of providing the ex-offender with employment—meaningful employment—since employment appears to be the strongest tool in reducing recidivism. The Department of Labor has, as a result, developed several employment and training programs for ex-offenders designed to increase ex-offender employability and reduce recidivism.

One such program that appears to be enjoying some level of success is a demonstration project called the National Supported Work Demonstration Project. This project receives its funding from a consortium of federal agencies, as well as the Ford Foundation.

The demonstration project, which began in 1974, employs four target populations—(1) newly released ex-offenders that have been out of correctional facilities for no more than six months, (2) former drug addicts, of which approximately 77 percent have been convicted of a crime, (3) young people that have dropped out of high school, of which 45 percent have had some involvement with the criminal justice system, and (4) people that have received aid to families with dependent children for a long period of time. Note that this last target population is the only category that deals entirely with people who have had no previous contact with the criminal justice system.

Under this demonstration project, these hard-to-employ participants, in other words, potential or accused offenders, are placed in temporary jobs that maintain a controlled low-stress environment until such time as they are deemed ready to enter the regular work force.

The effectiveness of this approach is in the process of being evaluated by two research outfits—Mathematica Policy Research, Incorporated and the Institute for Research on Poverty at the University of Wisconsin. Final research results are not expected until late 1980; however, some preliminary findings are in and appear to be encouraging. Thus far, this supported work project has succeeded in decreasing the recidivism rate for ex-offenders by approximately 25 percent. Also, the project has increased both employment and earnings for the program participants.

Thus solutions based on the opening up of economic opportunities are successful because they deal with the cause of crime, instead of the crime itself. The alternative to this type of approach—doing nothing—carries a cost that is far too high, a cost this nation cannot afford to bear.

Yet, this truism has to a large extent been ignored. The argument used to defend a do-nothing policy is best described by the following excerpt from Edward Banfield's book, *The Unheavenly City*:

"So long as the city contains a sizable lower class, nothing can be done about its most serious problems. Good jobs may be offered to all, but some will remain chronically unemployed. Slums may be demolished, but if the housing that replaces them is occupied by the lower class it will shortly be turned into new slums. . . . If, however, the lower class were to disappear, . . . the most serious and intractable problems of the city would disappear with it."

Thus Banfield and his followers view class status, in and of itself, as the cause of crime and other socially deviant behavior. By taking such a position, society is let off the hook. Clearly, solutions based on Banfield's premise ignore the necessity of an economy that provides adequate opportunities for all Americans.

However, Banfield's lowerclassness theory should not be dismissed, insofar as it does represent the thinking of many policy makers. The oft-repeated accusation says that the poor and less fortunate are that way because they want to be and because they are lazy and immoral and don't really want a job.

These arguments can be countered by observing facts. A recent event in New York City provides an excellent example of how desperately the poor and jobless want and need to be employed, and how they want to better themselves.

The International Brotherhood of Electrical Workers announced that it was accepting applications for 500 apprentice openings. Over 1,000 men and women showed up, standing in line for as long as four days, literally camping out on the sidewalks for less than a 50-50 chance that they would obtain employment. One of the applicants was a mother of six children who had been on welfare for 16 years.

Another illustration can be found in New York City's handling of its summer jobs program funded under the federal Comprehensive Employment and Training Act (CETA). The demand for jobs by minority poor was so high that New York Mayor Edward Koch was forced to institute a lottery. There are many such examples that could be cited.

Thus the evidence shows an army of unemployed and discouraged workers not only able, but willing to better themselves if only the opportunity presented itself. But, in fact, the jobs, the opportunities are not there.

Furthermore, to make matters even worse, an August 1977 report issued by the Long Island Consumer Action Organization found that the poor and the jobless could expect to be thwarted in the most common of job search methods—that of looking in the "Help Wanted" section of the newspaper.

The report showed that 80 percent of the "Help Wanted" ads in four New York newspapers were deceptive, misleading, or the jobs were not available. Discrepancies included the "bait-and-switch" tactic—come-on ads that lure people in for jobs that are different from those that are advertised.

Much is lost by the lack of a comprehensive jobs policy that attacks the root cause for socially deviant behavior. The cost of the alternative—that of doing nothing—is immense both in economic terms and in human deprivation.

In purely economic terms, the cost of maintaining a high level of unemployment, thereby limiting economic opportunity, is staggering. Dr. M. Harvey Brenner of Johns Hopkins University has gathered data on the topic, and estimates that the 1.4 percent increase in unemployment sustained from 1970-75 alone has cost the nation \$210 million from the increase in imprisonment in state institutions; and has cost \$434 million resulting from the increase in homicides.

These cost estimates were calculated by including foregone incomes of deceased or incarcerated workers, as well as direct money outlays for prison maintenance.

And this does not take into account the other social pathologies caused by lack of economic opportunity—suicides, state mental hospital admissions and heart disease. When these are tallied the economic loss to the nation is an additional \$1.5 billion. And again, the situation is really much worse than the numbers reveal since there is a multiplier effect, and the figures just quoted only relate to the 1.4 percent sustained increase in unemployment that occurred during 1970. Since then, the unemployment rate has sustained many additional increases; thus, these dollar figures would be significantly higher if the calculations were brought up to date.

However, the human tragedy reflected by the social ills that were measured to determine monetary value is the most important cost for maintaining an economy that does not provide opportunities for all. It is the high crime rate, the increase in drug and alcohol addiction, the breaking down of the family, the frustration and the despair that are immeasurable, yet is the most serious cross to bear.

Which brings us full circle. Again, the key ingredient needed to reduce the level of crime, to rebuild the nation's urban economic base, and to restore the nation's confidence is jobs. Jobs that reduce unemployment and increase purchasing power are essential to a national environment in which crime rates are low, and in which people and communities thrive and prosper. Providing economic opportunities for all Americans is, in fact, the only answer.

THE EISENHOWER FOUNDATION
FOR THE PREVENTION OF VIOLENCE

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(202) 223-0530

October 29, 1981

Honorable William J. Hughes
House of Representatives
436 Cannon House Office Bldg.
Washington, D.C. 20515

Dear Mr. Hughes:

As Vice Chairman of the National Violence Commission, created by President Johnson in 1969, and now, Vice Chairman of the new Eisenhower Foundation, which continues the Commission in the private sector, I noted with interest your recent hearings on unemployment and crime.

I am enclosing materials which describe how minority youth employment and crime prevention are the number one priorities of the Eisenhower Foundation. We would appreciate the opportunity to testify on the subject in the future. I also would be happy to ask our President, Dr. Lynn A. Curtis, who was a Carter Administration appointee, to meet with your staff.

Sincerely,

A. Leon Higginbotham

A. Leon Higginbotham
Vice Chairman

Enclosures

THE CHRISTIAN SCIENCE MONITOR

Bettering neighborhoods to fight violent crime

Friday, October 9, 1981

By Lynn A. Curtis

From a recent address by the president of the Eisenhower Foundation for the Prevention of Violence at a forum on preventing violence in America.

As we debate issues of violence and prevention, the following realities should be kept in mind:

Reported major crime has roughly doubled and doubled again over the last two decades in the United States. It is primarily a phenomenon of large cities, disproportionately committed by young minority males, and disproportionately concentrated in ghetto-slum, inner city, and barrio neighborhoods.

Fear of crime is among the top concerns of American citizens. In recent years, national polls often have found that the issue about which Americans are most concerned is crime. Frequently, it is ranked higher than even a concern with inflation or unemployment. In inner city areas, where so much crime occurs, personal security at home is the number one concern of residents. It has moved ahead of food, clothing, employment, and health.

By far the greatest proportion of all serious violence is committed by repeaters, not by one-time offenders. The number of hardcore repeaters is small relative to the number of one-time offenders. Yet the repeaters have a much higher rate of violent crime and inflict considerably more injury.

Crime and fear of crime lead to neighborhood deterioration and abandonment. It is conventionally held that the physical deterioration of residential neighborhoods, disinvestment, housing abandonment, block busting, and the like encourage crime.

But the pattern works the other way as well: crime leads to deterioration. This means that a policy against violence also is a residential rehabilitation policy that can reverse population outmovement and losses of urban tax bases. Not only does crime result in residential and business outmovement, but population and manufacturing departures feed on one another in further accelerating abandonment and encouraging deterioration.

No explanations cover more than a part of

the complex phenomenon called violent crime — or urban disorder. It should be remembered, for example, that whites are associated with a larger volume of crime in the United States, even though rates are disproportionately high for the urban minority poor.

With a concern for these disproportionate rates and an agreement that the perspectives I have sketched account for more of what is happening than other perspectives, the [Eisenhower] Violence Commission called for a policy response that balanced community regeneration as the first priority, with legal and criminal justice reform as the second.

Robert Kennedy's Committee on Juvenile Delinquency and Youth Crime ultimately called for mobilization of the poor to help themselves. Yet the Committee was dismayed by "the absence of demonstrated indigenous leadership in slum communities." At the same time, however, the Ford Foundation started to build such leadership — through, for example, the Bedford-Stuyvesant Restoration Corporation and the Woodlawn Organization. In 1967, the President's Crime Commission urged neighborhood self-help as a way to supplement overtaxed police forces — and to return communities to an earlier time when neighbors looked out after one another more than is common in today's increasingly anonymous urban communities. Similar recommendations were made by the National Advisory Commission on Civil Disorders and the Violence Commission.

In response to Commission recommendations and the state of the nation's neighborhoods, the 1970s saw a number of public sector neighborhood anti-crime programs. Some examples of success started to emerge. Yet, in spite of their potential, these public sector programs today are being cut back or eliminated in the name of ostensibly overriding economic policies. Now, at least, it is up to the private sector to pick up the slack. Groups which have already succeeded in organizing against crime need to be brought together with groups which want to try. Modest startup resources are necessary.

The new Eisenhower Foundation intends to accept this responsibility. We intend to facilitate:

1. Identification of and investment in the

... of ... neighborhood leaders.

- Establishment of block watches, patrols, escort services and related ways to increase social cohesion and a sense of territory.

- Establishment of ways in which neighborhood youth are employed as doers, rather than as recipients of help from outsiders.

- Pursuit of money-making ways to rechannel illegal market activity by youth into legal market activity with upward mobility.

- Establishment of social cohesion among senior citizens who are involved as co-workers in a community effort against crime.

- Pursuit of efforts that have proven themselves elsewhere and fit local circumstances.

The potential hardly has been tapped for integrating the protection of businesses into an overall neighborhood safety plan. Most businesses have concentrated on private security guards, target hardening and internal training of their employees. We will extend the coverage to the surrounding community, as well. We will especially look for situations where crime, threats of violence, and incivilities from people on the street create fear — which is translated into fewer people making their way from their homes to stores or commercial strips.

Basic to the plan is a quid pro quo: the neighborhood organization will promise to reduce fear, incivility and violence in return for financial support from merchant associations and individual businesses — hopefully made easier through increased revenues from the greater volume of business.

We also will develop partnerships with large national corporations which have many local outlets or interests — like all-night convenience stores, insurance companies, and gas stations. Local outlets will be identified and linked to neighborhood organizations in mutually beneficial ways.

In the insurance industry, we will facilitate formation of Mutual Security Insurance Corporations as subsidiaries of reliable neighborhood organizations. A specific geographic area will be designated. Working through the neighborhood organization, an established insurance company will issue policies for per-

son and property at reasonable rates — if a high percentage of all households and businesses agree to buy the designated insurance company's package. It will be the task of the neighborhood organization to mobilize enough residents to reach this proportion — say 70 percent of the households on any given block. As part of the agreement, residents and businessmen will be asked to look out for one another, mutually protect everyone's property against theft and arson, increase cooperation with and reporting to police, and participate in a broader community anti-crime effort run by the neighborhood organization. Insurance rates will be raised if victimization survey-based crime frequencies and other appropriate measures increase above a predetermined level. Hence, it will be in the economic self-interest of residents and businessmen to work together.

But, because the underlying causes [of violence] also relate to blocked economic opportunity and structural unemployment, the notion of neighborhood self-help must embrace employment and economic development, as well as crime prevention.

If youths can be trained to rehabilitate houses, they will learn a profession with upward mobility and considerable promise for future job security — rather than a dead-ended task that just makes work. If such rehabilitation is done in an inner city neighborhood and the houses are homesteaded to the poor there, then constructive employment has been channeled into physical stake in one's turf. With such a stake, it will be easier to mobilize citizens to protect their property and their neighbors. If the process is guided by a neighborhood organization indigenous to the community, then there is some insurance that the benefits will not drain off and reward outside interests. If the neighborhood organization can secure job training and actual job slots from the corporate world in return from some quid pro quo, then a partial alternative to present public and private sector employment training programs may emerge. If it does, then the possibility exists for new forms of public-private sector partnerships that acknowledge how neither sector, alone, can do much about black teenage unemployment rates of over 80 percent in the highest crime areas of inner cities.

NOV 4 1981

The Competitive Advantage of Mugging

Lynn A. Curtis

Which is the more desirable line of work -- pimping, or cleaning streets?

Which job opportunity is more promising -- mugging, or being a busboy?

These are serious, timely questions. I address them mainly to the one hundred insurance company executives who recently wrote President Reagan that "the critical problem of structural unemployment, particularly among minority youth, reaches out to us for priority attention. We expect our industry and our companies to focus our efforts on this urgent issue."

Commendably, these industry leaders acknowledge the stake of the corporate world in the long term health of all parts of American society. Their letter to the President reflects their awareness that in the poorest, most crime-ridden inner city areas of this country, unemployment among minority teenagers is estimated at 80% -- three times as high as during the Great Depression.

But these initiatives will fail -- as most public and private sector minority youth employment

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programs of the past have failed -- unless the insurance companies understand the competition their initiatives will face. That means understanding practical trade-offs and decisions made by consumers of job opportunities on the streets of the South Bronx, in Liberty City (in Miami), and in hundreds of other ghetto-slums every day.

Inner city youths tend to be excluded from the legal "primary" labor market -- where there are adequate wages and stable jobs. They tend to be limited to the legal "secondary" market -- with low wages and unstable, dead-end jobs. Most Federal job training programs have recruited primarily for this legal secondary market.

But these are only the legal job markets. To a youth on the south side of Chicago, the competition for his labor includes offerings in a variety of illegal or quasi-legal job markets. To an intelligent young man in a Watts public housing project, whose education has been substandard and whose heroes include only some participants in the legal primary markets, it often seems rational to pick up one or more of the illegal options.

From what we know, a good number of minority youths earn more money and develop more self-respect from the skills involved in criminal crafts, and from the

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autonomous work conditions of criminal business, than from available legal secondary labor market jobs with low skill potential, limited scope and arbitrary management.

One evaluation of a Federal employment program found that many verbally skillful, enterprising, intelligent minority youths dropped out of job training because they experienced more personal self-esteem and often more economic rewards from working in illegal markets than the legal secondary markets offered by the Federal government.

So I ask the insurance executives and other private sector leaders: will the job opportunities you propose to offer be competitive in the marketplace? Looking at the bottom line, will your offerings really be attractive to the young man with the energy and street-smarts to succeed at mugging, or dealing drugs, or residential burglary?

Don't count on the government to protect you from this illegal competition. To be sure, the criminal justice system attempts to raise the perceived costs of illegal job market activity high enough to induce your prospect to work as a legal secondary labor market busboy, with some subsidy from welfare handouts.

But your prospective employee will be told by friends on the streets: the risk is not that great, and

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- worth it in terms of status and money. Anyway, "time" in prison is a common experience -- something you expect to do some of (maybe, sometime) if you hustle in the illegal markets. Not the end of the world. Could learn more illegal skills there, make some contacts -- if they have room.

So how do you, the private sector job creators, meet the competition for the kid on the street and induce him to work in a legal market, rather than an illegal one?

It's a tough business challenge. Start by looking at ways of building on the street skills, interests and values of minority youths, rather than fighting them or denying them, as past Federal efforts have done. Focus on the kinds of employment and training that allow the inner-city youth to "bridge" the present gulf between legal secondary market jobs and stable legal primary market jobs with upward mobility.

Make your job offers to youths who have the potential for parlaying existing street competencies into successful illegal market careers: these are the ones most likely to succeed -- at whatever they choose to do. (Of course, you can't compete for youths who already are highly successful in illegal markets or who form the small core of repeaters who commit so much violent crime. It is

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the concern of the criminal justice system to remove them from the labor force.)

And, please, don't be do-gooders. Look at minority youth employment from your own self-interest in getting work done that needs doing. For example, consider job opportunities that help stabilize neighborhoods and reduce fear of crime in places where your stores, franchises or plants are located and where safer streets will mean increased customer traffic.

With the help of inner city neighborhood leaders, the private sector should have the creativity and marketing skill to develop specific jobs that will meet the competition. Let me give just one example of the sort of thing you should be looking at.

Youths employed to rehabilitate houses can learn skills affording upward mobility and promise for future job security. If such rehabilitation is done in an inner city neighborhood where the families of the young men live, and if the houses are homesteaded to the poor there, then constructive employment creates a physical stake in one's turf. With such a stake, individuals will be more likely to protect, not rip off, their property and their neighbors, including those living in the rehabilitated houses. If the rehabilitation project can be guided by a neighborhood organization indigenous to the community, and if the neighborhood organization can secure further job training and job

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slots from established businesses, then the rehab work can become a form of "bridge" employment into the legal primary labor market.

The insurance industry letter responds to the new, low key encouragement at the Federal level. A Presidential Task Force on Private Sector Initiatives has been established. Let's hope that everyone concerned takes a competitive, business-like approach to the challenge of minority youth unemployment.

* * * * *

Lynn A. Curtis is President of the Eisenhower Foundation for the Prevention of Violence in Washington, D.C.

THE EISENHOWER FOUNDATION
FOR THE PREVENTION OF VIOLENCE

A Mediating Institution

Executive Summary
of Objectives

October 1981

Introduction. Criminal violence in the United States is changing the shape of our lives.

- Our friends or family members are injured or killed.
- Our schools in some city neighborhoods teach children not how to learn, but how to survive.
- Our neighborhoods are communities of fear, where every stranger is a potential enemy.
- Our cities no longer belong to us at night, when we retreat behind such fortifications as we can afford or flee to suburbs.

In the wake of the suffering and the fear of violence, we live, work, and think differently. Many Americans have been touched by violence, and the Founding Directors of the Eisenhower Foundation for the Prevention of Violence are no exception. A son has been murdered and a daughter attacked with a hammer. Several of us have been robbed, and all have known fear.

Accordingly, the Eisenhower Foundation is dedicated to reducing the kinds of criminal violence that most threaten the safety of American citizens. The bipartisan, nonprofit Foundation will continue and implement through private sector action and partnerships with corporations the National Commission on the Causes and Prevention of Violence. Created

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by President Johnson and continued under President Nixon, the Commission carried out the most comprehensive assessment of violence ever undertaken. In support of direct action-based prevention programs in communities, the Foundation also will continue this tradition -- by updating and disseminating present knowledge.

Twelve years ago, the Eisenhower Commission drew this portrait of what violent crime could do to the American city of the future:

- ° Central business districts in the heart of the city, surrounded by mixed areas of accelerating deterioration, will be partially protected by large numbers of people shopping or working in commercial buildings during daytime hours, plus a substantial police presence, and will be largely deserted except for police patrols during night-time hours.
- ° High-rise apartment buildings and residential compounds protected by private guards and security devices will be fortified cells for upper-middle and high-income populations living at prime locations in the city.
- ° Suburban neighborhoods, geographically far removed from the central city, will be protected mainly by economic homogeneity and by distance from population groups with the highest propensities to commit crimes.
- ° Lacking a sharp change in federal and state policies, ownership of guns will be almost universal in the suburbs, homes will be fortified by an array of devices from window grills to electronic surveillance

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equipment, armed citizen volunteers in cars will supplement inadequate police patrols in neighborhoods closer to the central city, and extreme left-wing and right-wing groups will have tremendous armories of weapons which could be brought into play with or without any provocation.

° High-speed, patrolled expressways will be sanitized corridors connecting safe areas, and private automobiles, taxicabs, and commercial vehicles will be routinely equipped with unbreakable glass, light armor, and other security features. Inside garages or valet parking will be available at safe buildings in or near the central city. Armed guards will "ride shotgun" on all forms of public transportation.

° Streets and residential neighborhoods in the central city will be unsafe in differing degrees, and the ghetto slum neighborhoods will be places of terror with widespread crime, perhaps entirely out of police control during night-time hours. Armed guards will protect all public facilities such as schools, libraries and playgrounds in these areas.

° Between the unsafe, deteriorating central city on the one hand and the network of safe, prosperous areas and sanitized corridors on the other, there will be, not unnaturally, intensifying hatred and deepening division. Violence will increase further, and the defensive response of the affluent will become still more elaborate.

Today, and every day, our cities look more, rather than less, like this forbidding picture of a futuristic Dark Age.

Some of the men and women who painted this grim portrait for the Commission in 1968-69, and some who have since

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joined with them, now seek, through the Foundation, to slow our nation's descent into violence. Reported violent crime rates in the United States now are nearly twice what they were when the Commission was created. Then, they were twice what they had been at the end of the 1950s. To look closely at the reality of increased suffering and spreading fear measured by such statistics is to want to do something. But what?

We assert that individual action in the private sector can make a difference. We can do small things, one at a time, and each of them can help.

In all of these actions, the Foundation will serve as a mediating institution. That is, we will facilitate working partnerships, negotiations, and improved understanding among groups and organizations in American society which, together, can reduce violence in ways which have been underutilized up to now. In particular, the Foundation will mediate among neighborhood organizations, corporations, foundations, law enforcement agencies, the press, and the general citizenry.

Through this unifying role as a mediating institution, the Foundation has identified several specific initial projects that will move us toward the goal of reducing violence in America:

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Project One: Neighborhood Self-Help for Safety.

Cost: \$1,010,425 for Three Years. Violent crime in the United States stems disproportionately from the ghetto slum neighborhoods of our larger cities -- the areas of poverty, unemployment, dilapidation and broken homes. The violence in these areas is both a cause and a consequence of their deterioration. As violent crime increases in adjacent neighborhoods, they too deteriorate, and violence, feeding upon itself, spreads throughout the city.

The residents of poorer neighborhoods need most desperately what all of us need -- greater personal safety from violence. If they do not have that, none of us will have it, for their neighborhoods will continue to be the principal sources of the contagion of violent crime.

Neighborhood safety cannot be achieved solely by an external program of police pacification. Neighborhood safety also requires indigenous self-help by the residents who are the victims of violence, and on whose streets and in whose homes the perpetrators of violence live.

Neighborhood self-help safety programs are of many different kinds:

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- The personal development opportunities provided by the Center for Orientation and Services, in Ponce, Puerto Rico, have reduced youth crime in an extraordinarily dangerous ghetto area. Directed by Eisenhower Foundation Board Member Sister Isolina Ferre, of the Order of Missionary Servants of the Holy Trinity, the Center has been called "the best example of community regeneration I have found anywhere in the United States" by Charles E. Silberman in a recent Ford Foundation study.

- The House of Umoja in Philadelphia is the nucleus of "the first inner city Boys Town in America" where the re-creation of family relationships and the opportunity for useful work have significantly reduced youth gang violence that once caused 40 deaths and hundreds of injuries each year. In a recent speech on private sector initiatives, the President praised Sister Falakah Fattah, Founder of Umoja, who is on the Foundation's Board.

- Tenant groups providing day-care and elderly services in the Carr Square public housing

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project in St. Louis have worked to cut crime in half in a development that was once described as a "hellhole."

---. Robberies and assaults at 7-Eleven convenience stores in dangerous locations have been significantly reduced by the Southland Corporation's programs to hire ex-convicts to advise on security, to train store employees in conflict resolution techniques, and to provide free coffee and other amenities to cab drivers participating in a neighborhood "taxi-watch" program.

What all of these successful programs have in common is that those most threatened by criminal violence have found ways, even in the most deteriorated neighborhoods, to help increase their own personal safety. Individuals have worked with and through neighborhood institutions to achieve goals including, but typically not limited to, the reduction of violent crime. These processes of neighborhood self-help have frequently been catalyzed by financial or training assistance from a private sector institution such as a church, local business or foundation.

The Eisenhower Foundation intends to be a catalyst itself, encouraging private sector institutions and groups with a stake in neighborhood safety to develop self-help anti-crime programs. The Foundation will get some who have succeeded together with those who want to try. It will seek help for those who want to help themselves. In so doing, the Foundation will be initiating change, away from violence and toward order, in the neighborhoods where such change is most urgently required.

Basic to the program is creation of mutual self-interest and a quid pro quo between a neighborhood organization, on the one hand, and local businesses or franchises, on the other. The potential hardly has been tapped for integrating residential safety with business safety in the same neighborhood.

Accordingly, the Foundation will function as a mediating institution between neighborhood groups and the business-corporate world. The Foundation's program will require that neighborhood organizations work to reduce fear in neighborhoods surrounding local businesses -- in return for financial support from those businesses. This will be designed to insure self-sustained local anti-crime programs. In addition, the Foundation, working through its Board, will

develop partnerships with large national corporations which have many local outlets or interests -- as is the case, for example, for all-night convenience stores, insurance companies, and gas stations. Local outlets will be identified and linked to neighborhood organizations in mutually beneficial ways. If our initial efforts are successful, we will explore a computerized system of matching corporations and their outlets to neighborhood organizations and their constituents. We also will seek to apply our experience to Urban Enterprise Zones.

No other comparable program has ever systematically integrated such self-sustaining partnerships with the business and corporate sector.

Project Two: Self-help by and for Senior Citizens.

Cost: \$151,638 for Two Years. As an adjunct to our first, neighborhood self-help, project, the Foundation also will implement a special concern for the needs of senior citizens.

Today, there are more than twenty-five million persons aged sixty-five and over in the United States, and their proportion out of the total population is growing. Recently, older Americans have registered strong feelings about the need to retain, continue, and improve programs by and for them. The number one concern of senior citizens is fear of crime. National polls show that it is considered by seniors to

be a more serious personal problem than even health, income or housing.

When given the opportunity, seniors have organized well as the leaders of and workers in predominantly voluntary neighborhood-based programs against crime. For example, in the Flatbush section of Brooklyn, volunteers with the Senior Citizen Anti-Crime Network (SCAN) have established self-help security systems in apartments, organized block-watches on the streets, and assisted victims in working with the criminal justice process. The overall effort has been a success.

Using such examples as SCAN, the Foundation will provide technical assistance to senior citizen groups setting out on new, self-help anti-crime programs. We will promote training of older workers as:

- ° Neighborhood organizers, to bring residents together to plan and carry out local anticrime campaigns;
- ° Community advocates, to promote the involvement of local officials and agencies in more effective anticrime policies and programs;
- ° Crime prevention specialists, to provide information and education to residents on how to reduce their chances of becoming victims;

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- ° Victim counselors, to act as backup agents for the police and courts in providing emergency assistance and referrals for their neighbors who are crime victims.

Project Three: Youth Employment To Reduce Crime.

Cost: \$272,203 for Eighteen Months. In an October, 1981 letter to the President, the leaders of over one hundred insurance companies promised that, as a public responsibility, they will target a share of their resources nationwide on reducing minority youth unemployment.

The insurance industry letter advocated that businesses and communities work more closely together to meet local needs. It went on to say that there were many competing needs, but "that the predicament of unemployment, particularly among minority youths, "reaches out to us for priority attention."

The Eisenhower Foundation shares this concern by the business community with the astronomical rates of unemployment among minority youths (estimated to be over 80 per cent for black teenagers in the most deteriorated inner-city areas) and with the need for more private sector initiatives. We also are aware that the rates for many kinds of serious crime (like muggings and other forms of violent street theft) are high

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among many inner-city youths. Yet little remains known about the potential for private sector minority youth employment innovations that also work to reduce crime.

Therefore, beginning with a network of personal contacts through our corporate-affiliated Board members, we will ask selected corporations and foundations to help design the kind of minority youth employment/crime reduction programs which they would like to see -- and then help fund job slots and training.

The role of corporations will not be based on notions of handouts to the poor. It will be based on a sense of enlightened corporate self-interest and on a quid pro quo between corporations and neighborhood organizations -- a business transaction in which all parties benefit.

We also will ask neighborhood organizations to help design employment/crime reduction programs and, for the most part, directly administer them in partnership with corporations, merchant associations and local businesses. The Foundation believes that the past street-level experience and the great future potential of neighborhood organizations largely has been untapped in the design and implementation of employment/crime reduction programs.

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We will seek cooperative ventures, as well, with the Local Initiatives Support Corporation, which is funded in partnership with the Ford Foundation and a number of corporations.

Through mediating among all of these groups, we will design programs that seek to build on existing street-level skills of minority youths and channel such skills from illegal or dead-ended "secondary" labor market jobs into more secure, upwardly mobile, "primary" job markets. We will target many such jobs on physically and economically rebuilding deteriorated inner city areas.

Many organizations and entities in the private and public sector are concerned about minority youth employment. However, to our knowledge, the Eisenhower Foundation is the only national organization which presently is proposing to systematically develop actual programs in neighborhoods -- programs that employ youths, reduce violence and regenerate communities at the same time.

Over the eighteen months of our proposal, such programs will be designed and the funds secured to run and evaluate them.

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Project Four: Reduction in the Vulnerability of Potential Rape Victims. Cost: \$345,677 for Three Years. Rape is a terrifying and repugnant crime, one that tears most devastatingly at the web of social restraints necessary to civilized life. Many believe that the victim of a rape attempt should submit to her assailant, in the hope of avoiding more serious injury or death. But important new findings, soon to be published under Foundation auspices by a leading university press, indicate just the opposite: non-aggressive, unresisting victim behavior actually increases the likelihood of rape and other injury. Often the best strategy, it now appears, may be to resist assertively, in an appropriate manner, at the earliest possible point in the encounter.

This new information suggests that the assailant frequently is not interested in sexual release per se. Rather, often he is seeking to assert himself as someone who has the power to control another human being. (The typical political assassin in the United States appears to think similarly.) If a potential rape victim understands the underlying issues of power and control, she may be able to counter them. She can attempt to maintain or gain control of the situation herself -- through assertive behavior which, in turn, diminishes the assailant's ability to orchestrate what is happening.

The new scientific findings on which this understanding is based need further testing and evaluation, which the Foundation will cause to be carried out. But they strongly suggest that strategies are available by which women can help defend themselves against, and reduce their vulnerability to, a particularly loathsome form of violence. If that is so, then these strategies of assertiveness should be communicated to women generally, and especially to women living in high-risk situations. That is something the Foundation also will do -- through training programs for churches, neighborhood groups, unions and businesses; through conferences and meetings; and through the media.

To accelerate the process, we will seek to mediate between groups implementing the new findings and law enforcement agencies which may have been giving other, more traditional advice.

Project Five: Annual Review and Information Clearinghouse on Violence in America. Cost: \$319,765 for Two Years. The reports of the Eisenhower Commission of 1968-69 dealt comprehensively with violence in the United States. Assassinations, urban riots, violent demonstrations, terrorism, homicide, aggravated assault, rape and robbery -- all were probed and placed in perspective through an effort of research

and analysis that surpassed any that had ever before been undertaken. At a time of national tension over the breakdown of law and order, the results of these studies reached tens of millions of Americans through television, newspapers, and paperback books -- and still more millions in succeeding years as the Commission's studies were reprinted and excerpted for use in schools and universities.

Public understanding of the nature and extent of violence, its causes, and the means of its prevention is a bridge across the social divisions that violence creates. Public understanding is an inoculation against the extremism, demagoguery and intolerance that inevitably result from the fear of violence. Public understanding is the basis for constructive measures to reduce violence and improve the conditions that cause it.

The time is overdue to update the Eisenhower Commission's findings and to initiate an Annual Review on Violence in America. An informed citizenry needs a dependable, accessible source of information and analysis about so conspicuous a feature of our national life. With its unique access to the best intellectual resources available in this field and its role as a mediating institution, the Foundation is the appropriate entity to produce and disseminate such a

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Review. Among other objectives, the Report will summarize annual statistical publications, like the Uniform Crime Reports of the Federal Bureau of Investigation, but also proceed beyond such reports by interpreting what the numbers mean in clear, straightforward language.

The Review will be supervised by a Director of Public Information, working with consultants, and will be featured during an Annual Eisenhower Public Policy and Violence Prevention Week. The Director also will help staff special Foundation studies on civil disorders, violent urban crises, problems of implementing promising violence prevention programs and other emerging issues judged important and timely by the Foundation.

Conclusion. Details of these five priority efforts are available upon request. The Foundation also has other projects under consideration. These include:

- ° An evaluation of the Guardian Angels in New York City.
- ° A research/action program to reduce the victimization of Hispanic Americans.
- ° A feasibility study to develop a handgun detection device for Secret Service crowd

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control, police investigations, and private sector uses.

- ° A survey of citizens and offenders to provide the first comprehensive national information base for public policy decisions on handguns.
- ° Delinquency cohort research on criminal careers and non-criminal justice system intervention strategies.

We believe that the Foundation is unique. No other national institution possesses this combination of attributes:

- ° A strategy for mediating among corporations, businesses, neighborhood organizations and other groups in American society which, together, can reduce violence in ways which have been underutilized up to now.
- ° A historical continuity with a bipartisan Presidential Commission and a commitment to implement many of the Commission's recommendations.
- ° A greater emphasis on the community, underlying causes and prevention, rather than on the criminal justice system and its administration.

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- ° A desire, nonetheless, to lighten the burden of the criminal justice system -- for example, through community groups which assist police.
- ° A commitment to solutions based on indigenous self-help by ordinary citizens, more than solutions by outside professionals.
- ° An emphasis on the needs of minorities, women, the elderly, youth, the poor and the disadvantaged.
- ° An information clearinghouse that is based in Washington, D.C. and is responsive to the needs of legislators, executives and media there -- as well as to citizens throughout the rest of the country.

As we build upon these attributes and seek support for our proposals, the Foundation will be guided by its basic objective: to mediate practical action within the private sector to reduce the kinds of criminal violence that most threaten the safety of American citizens.

ATTACHMENT 1

LEADERSHIP OF THE FOUNDATION

Founding Directors and Officers

- . Milton S. Eisenhower, Chairman of the Foundation, former Chairman of the Violence Commission and President Emeritus of Johns Hopkins University.
- . A. Leon Higginbotham, Vice Chairman of the Foundation, former Vice-Chairman of the Violence Commission and Federal Court of Appeals Judge for the Third Circuit, in Philadelphia.
- . Alanson B. Houghton, Co-Chairman of the Foundation's Executive Committee, Rector of the Episcopal Church of the Heavenly Rest in New York City, and former Executive with Corning Glass.
- . Nelson T. Shields, III, Treasurer and Co-Chairman of the Foundation's Executive Committee, Executive Director of Handgun Control, Inc. and former Marketing Manager, E.I. Dupont and Co.
- . Lynn A. Curtis, President of the Foundation, former Urban Policy Advisor to the Secretary of HUD, former Director of the \$43M Interagency Urban Initiatives Anti-Crime Program, and former Violence Commission Task Force Co-Director.
- . Marvin E. Wolfgang, Director of Research for the Foundation, former Co-Director of Research of the Violence Commission and Director of the Center for Criminology and Criminal Law, University of Pennsylvania.
- . Candace S. Kovacic, Secretary of the Foundation and Professor of Law at American University.
- . Edward W. Brooke, former United States Senator, former member of the National Advisory Commission on Civil Disorders, and Partner of O'Connor and Hannan in Washington, D.C.
- . James S. Campbell, Member of the Executive Committee, former General Counsel of the Violence Commission and Partner of Wilmer, Cutler & Pickering in Washington, D.C.

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- Henry G. Cisneros, Mayor of San Antonio, former Ford Foundation Research Grantee, former White House Fellow, Board Member of the Council on Urban Economic Development, and Board Member of the National League of Cities.
- Lloyd N. Cutler, former Counselor to the President, former Executive Director of the Violence Commission and Senior Partner of Wilmer, Cutler & Pickering in Washington, D.C.
- Sister Falakah Fattah, Founder of the House of Umoja, Philadelphia. The "first Inner City Boystown in the U.S.," the House of Umoja has reduced gang violence and worked to regenerate Philadelphia neighborhoods. In his speech of October 5, 1981 to the National Alliance of Business in which he announced formation of the Task Force on Private Sector Initiatives, President Reagan praised the spirit and success of Sister Fattah and the House of Umoja.
- Sister Isolina Ferrer, Director, Center for Orientation and Services in Ponce, the Port of San Juan, Puerto Rico. Sister Isolina belongs to the Order of Missionary Servants of the Holy Trinity. In his recent Ford Foundation funded book, Criminal Violence, Criminal Justice, Charles E. Silberman called the Center "the best example of community regeneration I found anywhere in the United States."
- Patricia Roberts Harris, former Secretary of Health and Human Services, former Secretary of Housing and Urban Development and former Member of the Violence Commission.
- Norval Morris, Dean, University of Chicago School of Law.
- Elmer B. Staats, Former Director, United States General Accounting Office and President, The Truman Foundation, Washington, D.C.
- Franklin E. Zimring, former Co-Director of the Violence Commission Task Force on Firearms and Professor, University of Chicago School of Law.

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- Other Directors in the process of being added.

Initial Staff and Consultants

- Larue W. Allen, Professor of Psychology at the University of Maryland and Associate of the Bush Center for Child Development, Yale University.
- Robert E. Duke, Development Advisor to the Foundation and Campaign Manager, Fund for the Metropolitan Museum of Art, New York.
- Rudolfo Hernandez, Special Assistant to the President, InterAmerica, Inc., Washington, D.C.
- Victoria Jaycox, Director, Crime and the Elderly Project, National Council for Senior Citizens, Washington, D.C.
- Imre R. Kohn, former Program Manager, Urban Initiatives Anti-Crime Program, U.S. Department of Housing and Urban Development, and consultant, The Police Foundation.
- Paul Lavrakas, Research Associate, Center for Urban Affairs, Northwestern University.
- Betsey Lindsay, former Director of the Seattle Community Anti-Crime Program and Technical Assistant for the ACTION-LEAA Urban Crime Prevention Program.
- Jennie McIntyre, Professor of Sociology at the University of Maryland and author of Sexual Assault Outcomes.
- Beth A. Paulson, Special Assistant to the Executive Director, Housing Authority of Louisville.
- Gene Rodriguez, Assistant to the Mayor of San Antonio and Associate, Mexican-American Unity Council.
- Orlando Rodriguez, Senior Associate, Hispanic Research Center, Fordham University, New York.
- Peter Rossi, Professor of Sociology, University of Massachusetts.
- Paquita Vivo, President, National Conference of Puerto Rican Women.
- Neil Weiner, Research Associate, Center for Studies in Criminology and Criminal Law, University of Pennsylvania..
- Others to be added.

ATTACHMENT 2
BUDGET SUMMARIES

Core Functions. For the Foundation to operate as a focus of private-sector concern over violence, it is necessary for us to have the full-time services of Dr. Curtis as our staff head, the full-time services of a secretary and the part-time services of other staff and consultants. Travel expenses and costs of office space also must be covered. Independent of funds from any one specific project, we consider part of these costs as "core functions" of the Foundation. We estimate that approximately \$100,000 per year will cover the costs.

The Foundation is inviting individuals, corporations, and foundations to support these core functions with an annual sustaining contribution. Since May of 1981, the Foundation has received contributions from the Ford Foundation, Handgun Control, Inc., the Houghton Foundation, the Jewish Communal Fund (the Margery and Harry Kahn Philanthropic Fund), the Police Foundation, Mr. A.G. Rosengarten, Jr., the Phillip and Lynn Strauss Foundation, and Wilmer, Cutler and Pickering.

Project-Specific Functions. Other costs of core staff are included in the budgets of specific projects. However, most of these project-specific budgets cover additional costs, beyond core funding. The Foundation is

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seeking support not only for its core funding but also for the five specific projects which have been desc ibed --
Neighborhood Self-Help For Safety (\$1,010,425 for three years),
Self-Help by and for Senior Citizens (\$151,638 for two years),
Youth Employment to Reduce Crime (\$272,203 for eighteen months),
Reduction in Rape Victim Vulnerability (\$345,677 for three years) and the Annual Review and Information Clearinghouse on Violence in America (\$319,765 for two years).
Individuals, corporations and foundations are being asked to consider full or partial support for all of the projects in which they have an interest.

Budget summaries for the five projects are as follows. For more details on the budgets, the full project proposals are available from the Foundation upon request.

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Project One
Neighborhood Self-Help for Safety
Budget Summary

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Salaries and Fringes</u> (Eisenhower Foundation Staff: Lindsay, Jessup, Hernandez, Curtis, Secretary)	\$ 91,425	\$ 100,568	\$ 110,624
<u>Overhead</u> (30% of Salaries and Fringes)	27,428	30,170	33,187
<u>Neighborhood Advisor and</u> <u>Consultant Costs</u>	17,850	27,300	8,050
<u>Funds for Seed</u> <u>Awards or Loans to Neighborhood</u> <u>Organizations</u>	100,000	100,000	0
<u>Supplies and Communications</u>	2,500	2,500	2,500
<u>Reproduction and</u> <u>Publications</u>	500	500	500
<u>Workshop Costs</u>	6,000	6,000	0
<u>Eisenhower Foundation</u> <u>Staff Travel</u>	6,000	6,000	3,000
<u>Subcontract (To Northwestern</u> <u>University Urban Affairs Center</u> <u>for Impact/Process Evaluation)</u>	147,522	65,565	114,740
<u>TOTAL COST</u>	<u>\$399,225</u>	<u>\$338,603</u>	<u>\$272,601</u>

TOTAL FOR ENTIRE
PROJECT (THREE YEARS): \$1,010,425

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Project Two
Self-Help by and for Senior Citizens
Budget Summary

	<u>Year 1</u>	<u>Year 2</u>
<u>Salaries and Fringes</u> (Eisenhower Foundation Staff: Jaycox, Secretary)	\$50,600	\$55,660
<u>Overhead</u> (30% of Salary and Fringes)	15,180	16,698
<u>Supplies and Communication</u>	1,250	1,250
<u>Reproduction and Publications</u>	500	500
<u>Eisenhower Foundation</u> <u>Staff Travel</u>	5,000	5,000
...		
TOTAL COST	<u>\$72,530</u>	<u>\$79,108</u>
		<u>\$151,638</u>
	<u>TOTAL FOR ENTIRE</u> <u>PROJECT (TWO YEARS):</u>	

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Project Three
Youth Employment To Reduce Crime
Budget Summary

	<u>First Twelve</u> <u>Months</u>	<u>Last Six</u> <u>Months</u>
<u>Salaries and Fringes</u> (Eisenhower Foundation Staff: Paulson, Rodriguez, Secretary)	\$86,825	\$47,754
<u>Overhead</u> (30% of Salary and Fringes)	26,048	14,326
<u>Technical Assistance</u> (Mainly Provided by Neighborhood Organizations)	19,000	19,000
<u>Supplies and Communication</u>	3,500	1,750
<u>Reproduction and Publications</u>	2,000	1,000
<u>Eisenhower Foundation</u> <u>Staff Travel</u>	8,000	4,000
<u>Subcontract (To Northwestern</u> <u>University Urban Affairs Center</u> <u>for Evaluation Design)</u>	5,000	5,000
<u>Subcontract (To University of</u> <u>Pennsylvania for Wolfgang</u> <u>Cohort Extension Design)</u>	12,000	3,000
TOTAL COST	<u>\$169,373</u>	<u>\$102,830</u>
TOTAL FOR ENTIRE PROJECT (EIGHTEEN MONTHS):		<u>\$272,203</u>

Project Five
Annual Review and Information Clearinghouse on
Violence in America
Budget Summary

	<u>Year 1</u>	<u>Year 2</u>
<u>Salaries and Fringes</u> (Eisenhower Foundation Director of Information (Kohn), Curtis, Secretary)	\$ 80,500	\$ 88,500
<u>Overhead (30% of Salaries)</u>	24,150	26,565
<u>Consultants (To Write Three Annual Reviews and Two Special Reports)</u>	40,000	20,000
<u>Supplies and Communications</u>	2,000	2,000
<u>Eisenhower Foundation Staff Travel</u>	3,000	3,000
<u>Eisenhower Public Policy and Violence Prevention Week</u>	15,000	15,000
<u>TOTAL DIRECT PLUS</u>	<u>\$164,650</u>	<u>\$155,115</u>
<u>INDIRECT COSTS</u>		

TOTAL FOR
ENTIRE PROJECT
(TWO YEARS): \$319,765

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ATTACHMENT 3

INTERNAL REVENUE SERVICE
CERTIFICATION OF 501(c)(3) STATUS

Internal Revenue Service

Department of the Treasury

Center for the Study and Prevention
of Handgun Violence a/k

Washington, DC 20224

Eisenhower Foundation for the
Prevention of Violence
c/o James Campbell, Esq.
Wilmer, Cutler and Pickering
1666 K Street, N.W.
Washington, D.C. 20006Person to Contact:
Edward Karcher
Telephone Number:
202-566-3497
Refer Reply to:
E:EO:T:R:2-5
Date:

30 JUN 1981

Ladies and Gentlemen:

This is with respect to a request for a ruling submitted by you on May 5, 1981. The ruling requested is whether certain minor changes in your Articles of Incorporation would adversely affect your currently recognized status as an organization described in Code section 501(c)(3).

Prior to the change in your Articles, you were known as the Center for the Study and Prevention of Handgun Violence. The purposes of your organization prior to the change were limited to the study and research into violent acts committed with either handguns or other firearms.

The changes in your Articles merely expand your stated purposes to embrace the study (and prevention) of all forms of violence. Absent the expanded scope with respect to your targetted research, there will be no change in your actual operation.

Section 501(c)(3) of the Code provides for the recognition of exemption of organizations organized and operated exclusively for educational purposes.

Information provided indicates that while you have expanded the scope of permitted activities, you have done so in a manner consistent with continued recognition of exemption under Code section 501(c)(3).

Accordingly, we rule, the continued operation of your organization in a manner consistent with your amended Articles of Incorporation, will not adversely affect your current status as an organization described in Code section 501(c)(3). Please keep a copy of this letter in your permanent records to help resolve any further questions that may arise.

Sincerely yours,

*Peter K. Bros*Peter K. Bros
Chief, Rulings Section 2
Exempt Organizations
Technical Branch

ATTACHMENT 4

NEWS ARTICLES ON THE
ORIGINAL COMMISSION
AND THE NEW FOUNDATION

THE CHRISTIAN SCIENCE MONITOR

Bettering neighborhoods to fight violent crime

Friday, October 9, 1981

By Lynn A. Curtis

From a recent address by the president of the Eisenhower Foundation for the Prevention of Violence at a forum on preventing violence in America.

As we debate issues of violence and prevention, the following realities should be kept in mind:

Reported major crime has roughly doubled and doubled again over the last two decades in the United States. It is primarily a phenomenon of large cities, disproportionately committed by young minority males, and disproportionately concentrated in ghetto-slum, inner city, and barrio neighborhoods.

Fear of crime is among the top concerns of American citizens. In recent years, national polls often have found that the issue about which Americans are most concerned is crime. Frequently, it is ranked higher than even a concern with inflation or unemployment. In inner city areas, where so much crime occurs, personal security at home is the number one concern of residents. It has moved ahead of food, clothing, employment, and health.

By far the greatest proportion of all serious violence is committed by repeaters, not by one-time offenders. The number of hard-core repeaters is small relative to the number of one-time offenders. Yet the repeaters have a much higher rate of violent crime and inflict considerably more injury.

Crime and fear of crime lead to neighborhood deterioration and abandonment. It is conventionally held that the physical deterioration of residential neighborhoods, disinvestment, housing abandonment, block busting, and the like encourage crime.

But the pattern works the other way as well: crime leads to deterioration. This means that a policy against violence also is a residential rehabilitation policy that can reverse population outmovement and losses of urban tax bases. Not only does crime result in residential and business outmovement, but population and manufacturing departures feed on one another in further accelerating abandonment and encouraging deterioration.

No explanations cover more than a part of

the complex phenomenon called violent crime — or urban disorder. It should be remembered, for example, that whites are associated with a larger volume of crime in the United States, even though rates are disproportionately high for the urban minority poor.

With a concern for these disproportionate rates and an agreement that the perspectives I have sketched account for more of what is happening than other perspectives, the [Eisenhower] Violence Commission called for a policy response that balanced community regeneration as the first priority, with legal and criminal justice reform as the second.

Robert Kennedy's Committee on Juvenile Delinquency and Youth Crime ultimately called for mobilization of the poor to help themselves. Yet the Committee was dismayed by "the absence of demonstrated indigenous leadership in slum communities." At the same time, however, the Ford Foundation started to build such leadership — through, for example, the Bedford-Stuyvesant Restoration Corporation and the Woodlawn Organization. In 1967, the President's Crime Commission urged neighborhood self-help as a way to supplement overtaxed police forces — and to return communities to an earlier time when neighbors looked out after one another more than is common in today's increasingly anonymous urban communities. Similar recommendations were made by the National Advisory Commission on Civil Disorders and the Violence Commission.

In response to Commission recommendations and the state of the nation's neighborhoods, the 1970s saw a number of public sector neighborhood anti-crime programs. Some examples of success started to emerge. Yet, in spite of their potential, these public sector programs today are being cut back or eliminated in the name of ostensibly overriding economic policies. Now, at least, it is up to the private sector to pick up the slack. Groups which have already succeeded in organizing against crime need to be brought together with groups which want to try. Modest startup resources are necessary.

The new Eisenhower Foundation intends to accept this responsibility. We intend to facilitate:

• Identification of and investment in the

core of natural, indigenous neighborhood leaders.

- Establishment of block watches, patrols, escort services and related ways to increase social cohesion and a sense of territory.

- Establishment of ways in which neighborhood youth are employed as doers, rather than as recipients of help from outsiders.

- Pursuit of money-making ways to rechannel illegal market activity by youth into legal market activity with upward mobility.

- Establishment of social cohesion among senior citizens who are involved as co-workers in a community effort against crime.

- Pursuit of efforts that have proven themselves elsewhere and fit local circumstances.

The potential hardly has been tapped for integrating the protection of businesses into an overall neighborhood safety plan. Most businesses have concentrated on private security guards, target hardening and internal training of their employees. We will extend the coverage to the surrounding community, as well. We will especially look for situations where crime, threats of violence, and incivilities from people on the street create fear — which is translated into fewer people making their way from their homes to stores or commercial strips.

Basic to the plan is a quid pro quo: the neighborhood organization will promise to reduce fear, incivility and violence in return for financial support from merchant associations and individual businesses — hopefully made easier through increased revenues from the greater volume of business.

We also will develop partnerships with large national corporations which have many local outlets or interests — like all-night convenience stores, insurance companies, and gas stations. Local outlets will be identified and linked to neighborhood organizations in mutually beneficial ways.

In the insurance industry, we will facilitate formation of Mutual Security Insurance Corporations as subsidiaries of reliable neighborhood organizations. A specific geographic area will be designated. Working through the neighborhood organization, an established insurance company will issue policies for per-

son and property at reasonable rates — if a high percentage of all households and businesses agree to buy the designated insurance company's package. It will be the task of the neighborhood organization to mobilize enough residents to reach this proportion — say 70 percent of the households on any given block. As part of the agreement, residents and businessmen will be asked to look out for one another, mutually protect everyone's property against theft and arson, increase cooperation with and reporting to police, and participate in a broader community anti-crime effort run by the neighborhood organization. Insurance rates will be raised if victimization survey-based crime frequencies and other appropriate measures increase above a predetermined level. Hence, it will be in the economic self-interest of residents and businessmen to work together.

But, because the underlying causes [of violence] also relate to blocked economic opportunity and structural unemployment, the notion of neighborhood self-help must embrace employment and economic development, as well as crime prevention.

If youths can be trained to rehabilitate houses, they will learn a profession with upward mobility and considerable promise for future job security — rather than a dead-ended task that just makes work. If such rehabilitation is done in an inner city neighborhood and the houses are homesteaded to the poor there, then constructive employment has been channeled into physical stake in one's turf. With such a stake, it will be easier to mobilize citizens to protect their property and their neighbors. If the process is guided by a neighborhood organization indigenous to the community, then there is some insurance that the benefits will not drain off and reward outside interests. If the neighborhood organization can secure job training and actual job slots from the corporate world in return from some quid pro quo, then a partial alternative to present public and private sector employment training programs may emerge. If it does, then the possibility exists for new forms of public-private sector partnerships that acknowledge how neither sector, alone, can do much about black teenage unemployment rates of over 80 percent in the highest crime areas of inner cities.

The New York Times

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NEW YORK, MONDAY, NOVEMBER 24, 1969

PANEL SEES CRIME TURNING THE CITIES INTO ARMED CAMPS

Warns of Violence Dividing
Areas into 'Fortresses'
and 'Places of Terror'

CITES NEED FOR POLICY

VIOLENCE REPORT DECLARES NATION IS 'BLOODY-MINDED'

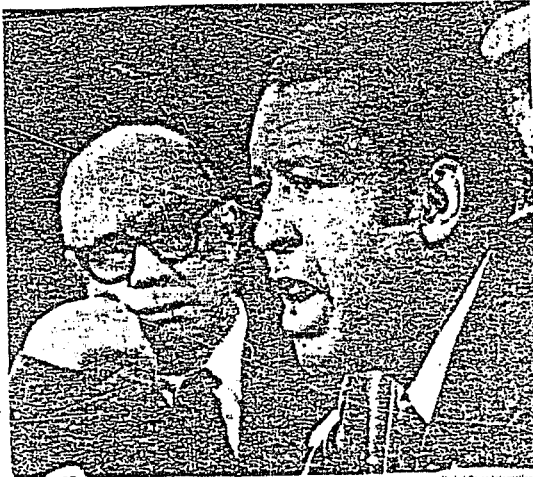
Panel Finds a Tradition of
Using Force Obscured by
'a Historical Amnesia'

NEWS MEDIA GUIDE URGED IN REPORT

Center to Judge Press and
Broadcast Performance Is
Asked by Violence Unit

VIOLENCE REPORT SAYS U.S. JUSTICE MUST BE REVISED

System of Law Enforcement
Found to Be Fragmented,
Inadequate and Archaic



MINORITY OPINION: A. Leon Higginbotham, U.S. District Judge and vice chairman of the National Commission on Causes and Prevention of Violence, commenting on commission's statement yesterday. Milton S. Eisenhower, chairman, also on the minority side, listens.

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A Private Sector
Youth Employment and
Crime Reduction Program

A Proposal By
The Eisenhower Foundation
for the Prevention of Violence

October 1981

Summary

This proposal is for an eighteen-month, \$272,203 program that will develop the design, financing and evaluation for a private sector employment and crime prevention program targeted at minority youths.

The proposal is not for the actual demonstration and evaluation. Rather, it is to design and secure the funds for that effort, which would begin immediately after the necessary eighteen-months of initial development activity.

The program's ultimate objective is to identify and demonstrate as successful different approaches -- or models -- through which private sector employment can provide legal jobs which have meaning to minority inner-city youths, allow for upward mobility, and serve to reduce crime by these young people.

The program is necessary because unemployment rates are astronomical among minority inner-city youths, rates for many kinds of crime are highest among them, the exact relationship between unemployment and crime for this population nonetheless remains a subject of intense scientific and political debate, past public and private sector demonstrations and evaluations have done relatively little to resolve the

debate, public sector efforts now are being severely cut back, the role of the private sector is being encouraged, and private sector sources are beginning to respond. Yet little remains known about the potential for private sector innovations that consciously integrate employment and crime reduction goals.

Through the program that the Eisenhower Foundation therefore is proposing to address these realities, we hope to take the lead at the national level in finding employment/crime reduction strategies over youthful life cycles that also are cost-effective and productive for private sector employers.

Many organizations and entities in the private and public sector are concerned about or doing research on minority youth employment. However, to our knowledge, the Eisenhower Foundation is the only national organization which presently is proposing to implement systematically actual programs in communities -- programs that are designed to reduce both unemployment and crime among minority youths.

We seek solutions for use by future decision makers in the private sector, but hope that lessons for private/public partnerships also emerge.

Through the present proposal, the Eisenhower Foundation will facilitate all of this by serving as a

mediating institution -- bringing together and negotiating among corporations, business alliances, neighborhood organizations, foundations, individual philanthropists and researchers.

Beginning with a network of personal contacts through our corporate-affiliated Board members, we will ask selected corporations to design the kind of minority youth employment/crime reduction programs which they would like to see -- and then help fund job slots and training. The effort will build on and integrate with current interest by the corporate community in leveraging and co-targeting resources to reduce minority youth unemployment. For example, the leaders of over 100 insurance companies recently pledged to the President that they will take a role in helping to reduce minority youth unemployment. In addition, the Eisenhower Foundation will build on past corporate successes in minority youth employment -- such as the work of IBM in Bedford Stuyvesant, the work of Control Data in San Antonio, and the guidelines for private businesses prepared by the National Alliance of Business.

The role of corporations will not be based on notions of welfare or handouts to the poor. It will be based on a sense of enlightened corporate self-interest and on a quid pro

quo between corporations and neighborhood organizations -- a business transaction in which all parties benefit.

We also will ask neighborhood organizations to help design employment/crime reduction demonstrations and, for the most part, directly administer them in partnership with corporations, merchant associations and local businesses. The Eisenhower Foundation believes that the past street-level experience and the great future potential of neighborhood organizations largely has been untapped in the design and implementation of employment/crime reductive programs.

Accordingly, the Center for Orientation and Services in San Juan, Puerto Rico and the House of Umoja in Philadelphia will take the lead with the Eisenhower Foundation in bringing to bear the skills and resources of neighborhood organizations as an integral part of our program. The two neighborhood groups are among the most nationally recognized community organizations successfully engaged in blending neighborhood regeneration, youth employment and crime reduction. Sister Isolina Ferre, Director of the Center, and Sister Falakah Fattah, Founder of Umoja, are Board members of the Eisenhower Foundation. In his recent speech on private sector initiatives, the President praised the spirit and success of the House of Umoja.

To add another vital element to the partnership, we will ask foundations to help design employment/crime reduction demonstrations -- and co-target, leverage, and match in funds for job slots, training, evaluation and related cohort research. Consistent with this strategy, we will seek cooperative ventures with the Local Initiatives Support Corporation, which is funded in partnership with the Ford Foundation and a number of corporations. Individual philanthropists also will be approached.

The most rigorous and promising scientific knowledge must be brought to bear on the program's design, administration, and evaluation, as well. Accordingly, we will review what has been written -- and focus our conclusions on innovative designs of youth employment and crime reduction programs for use by neighborhood groups and corporations. In particular, the Eisenhower Foundation will base action on areas of knowledge not previously brought together. For example, we will base at least part of our design of employment and crime prevention initiatives on the illegal market versus legal market employment decisions that the Vera Institute has observed among young ex-offenders in Brooklyn, the intervention policy aimed at critical life cycle stages suggested by Marvin Wolfgang at the University of Pennsylvania and Peter Greenwood at the Rand Corporation, the need to build on and not fight inner-city

street-level competencies as suggested by Nathan Caplan at the University of Michigan, the possibility of rechanneling such competencies from secondary or illegal to primary and legal job markets as analyzed by Bennett Harrison at M.I.T., and the need for embracing all these strategies within the context of labor intensive, inner-city, neighborhood "bubble-up" economic development generated by E.F. Schumacher's notions of appropriate technology.

Background and Need

In an October, 1981 letter to the President, the leaders of over one hundred insurance companies promised that, as a public responsibility, they will direct a share of their resources nationwide toward jobs for minority youths. (See Attachment 1.)

The insurance industry letter advocated that business and communities work more closely together to meet local needs. It went on to say that there were many competing needs, but that the predicament of unemployment, particularly among minority youths, "reaches out to us for priority attention." Individual companies have agreed to reassess what they are doing locally to create jobs, train youths and work together with neighborhood groups. Importantly, there was a sense that any new initiatives must be pragmatic and acknowledge the stake of the corporate world in the long-term health of society -- but also avoid "welfare," "do-goodism" and be consistent with the economic objectives of free enterprise.

The insurance industry letter is sensitive to the new, but low key, encouragement at the Federal level of the need for more private sector initiatives. A Presidential Task Force on Private Sector Initiatives has been established.

The present proposal shares this concern with the astronomical rates of unemployment among minority youths (estimated to be over 80 per cent for black teenagers in the most deteriorated inner-city areas) and with the need for more private sector initiatives. The proposal also addresses the facts that rates for many kinds of serious crime (like muggings and other forms of violent street theft) are highest among minority inner-city youths, the exact relationship between unemployment and crime among them nonetheless remains a subject of both scientific and political debate, past public and private sector demonstrations and their evaluations have done relatively little to resolve such debate, public sector efforts now are being severely cut back, and little remains known about the potential for private sector minority youth employment innovations that also work to reduce crime.

In a separate proposal (A Neighborhood Anti-Crime Self-Help Program), the Eisenhower Foundation argues that indigenous neighborhood organizations have perhaps greater potential than other organizations for administering local self-help programs which have financial and in-kind support from corporations, local businesses and foundations. The present proposal applies this thinking to the need for simultaneous action on employing minority youths and reducing the crime by them.

The proposal is for an eighteen month, \$272,203 effort that will develop the design, financing and evaluation for a private sector job training and placement program targeted at minority youths.

The proposal is not for the actual program and its evaluation. Rather, it is to design and secure the funds for that effort, which would begin immediately after the eighteen months of necessary development activity.

The program's ultimate objective is to identify and demonstrate as successful different approaches -- or models -- through which the private sector can provide legal jobs which have meaning to minority inner-city youths, allow for upward mobility, and serve to reduce crime by these young people.

The Eisenhower Foundation seeks to take the lead at the national level in finding employment/crime reduction strategies over youthful life cycles that also are cost-effective and productive for private sector employers.

Many organizations and entities in the private and public sector are concerned about or doing research on minority youth employment. However, to our knowledge, the Eisenhower Foundation is the only national organization which at the present time seeks to implement actual programs in communities

-- programs that consciously are designed to reduce both unemployment and crime.

We will demonstrate solutions for use by future policy makers in the private sector. But lessons for private/public partnerships also will emerge.

Through the present proposal, the Eisenhower Foundation will facilitate all of this by serving as a mediating institution -- bringing together and negotiating among corporations, neighborhood organizations, foundations, individual philanthropists and researchers.

The pages that follow describe:

- 1) The pragmatic assessment of existing knowledge that will be undertaken as one basis for the design of our program.
- 2) The way in which we will mediate with and build on the experience of successful neighborhood organizations in designing and administering the program.

- 3) Our mediating partnerships with corporations, foundations and individual philanthropists in designing and funding the program.
- 4) The kinds of minority youth employment/crime reduction innovations that are likely to emerge in and be tested by the program.
- 5) Proposed staff.
- 6) Evaluation -- and complementary research based on the Wolfgang youth cohort data files at the University of Pennsylvania.
- 7) Time-specific tasks, milestones and budgeting.

A Pragmatic Assessment of What We Know

The Foundation will look at existing written knowledge on how employment programs involving minority youths can be vehicles for not only supplying jobs with upward mobility but also for reducing crime by these youths. This will not be a lengthy or academic review. Rather, it will be a

rigorous, pragmatic, action-oriented assessment which translates failures of the past into a design for the Foundation's employment and crime reduction program.

As described more completely below, the assessment will cover the following areas, which previously have not been integrated with one another:

- ° The relationship between minority unemployment and crime.
- ° Cohort studies and interventions at different stages of the life cycle.
- ° Structural minority youth unemployment, crime and street level competencies.
- ° Neighborhood economic development, jobs and crime prevention.
- ° Evaluation of past youth employment and crime prevention programs.

Consider, in turn, each of these areas:

The Relationship Between Minority Youth Unemployment and Crime. The Foundation will review studies on the relationship between minority youth unemployment and crime.

Positive macro-economic correlations between unemployment and crime have been demonstrated -- but also critiqued. It has been asserted that minority teenage unemployment has increased over a period when reported crime by this group also has increased. The National Urban League also has estimated that, in the highest crime inner-city areas, teenage minority unemployment is over 80 percent. Official monthly government unemployment figures fluctuate from the mid-forties to over fifty percent nationally for black teenagers. (See Brenner, 1978; Curtis, 1981; Leveson, 1976; Phillips et al., 1972, National Urban League, 1981 and Whitte, 1980.)

The implications of these macro-level conclusions will be incorporated into the design our program. But the Foundation will pay even more attention to new, micro-level data from the Vera Institute which suggest a more complex relationship between unemployment and crime than implied by the macro-level data. Vera has been following a very small sample of ex-offenders to trace their work decisions over time on activity in illegal and legal markets. Based on preliminary findings, the assumption that ex-offenders operate either in the illegal market or the legal market appears to be incomplete. It defines just one possible pattern. Some ex-offenders work in the legal market to earn enough capital for an illegal enterprise (for example, they take a straight job to

earn enough money for a supply of drugs to sell on the street). Conversely, some work in the illegal market to earn enough capital for a legal activity (for example, they steal to finance a licensed T-shirt peddling operation).

More than anything else, what appears to prevail in the Vera study is a pattern of alternating between crime and employment at different ages and stages of personal development. For younger ex-offenders, such alternating appears to represent an exploration of possible income-producing options. For somewhat older ex-offenders, "such alternation may reflect the perpetration of adolescent patterns in a lengthy and delayed process of 'maturing out' of crime." Such maturing may occur when an ex-offender marries and "settles down." (Sviridoff and Thompson, 1977.)

Cohort Studies and Interventions at Different Stages of the Life Cycle. This critically important and highly creative work by the Vera Institute encourages the Foundation also to examine what has been written on the human life cycle and its implications for our youth employment and crime prevention program.

The possibility that, over time, youth may change their orientation to crime and employment (as well as alternate between them) suggests that programs need to gear specific

types of employment approaches to individuals in different phases of the process of maturing out of crime and settling into work. Certain employment opportunities might be completely irrelevant to a fifteen-year-old high school dropout, but might be right on target for a twenty-four-year-old ex-offender.

If alternation between employment and crime is a reality for many youths, programs could develop differential strategies that make use of this pattern. Clients who at the time of entry into a program are hustling to invest in a legal business might require a different approach than others who may currently be legally employed just to cool out from an intense period of highly risky criminal activity. For some poor minority youths, a demonstration program to rechannel skills used in illegal employment into legal employment may take hold and lead to more or less permanent legal market activity. For others, simply improving the quality of the legal work in which they already are engaged may have the same effect. For still other youths, these and other interventions may not be worth it -- because concerns about making a living may be irrelevant to them at that time, because they are committed to a criminal career, or because they already have matured out of the illegal market.

For some minority youths in their early to mid-teens and from broken families, an alternative, extended family -- like that offered by the House of Umoja in Philadelphia (see below) -- may be an essential social support to complement an employment and training program at their particular life cycle stage. For some minority youths in their upper teens or twenties, marriage may provide one of several other possible social supports and stabilizers more appropriate during this relatively later life cycle stage.

It will be helpful here to apply the lessons of the now classic cohort study by Marvin Wolfgang, Board Member and Director of Research for the Eisenhower Foundation, of 10,000 Philadelphia boys. The Wolfgang et al. (1972) study suggests points in the criminal lifetimes of youths and young adults when various forms of intervention would have the highest likelihood of success -- in terms of reducing the odds that an individual would be involved in more police contacts. Many of the study's implications point to very early interventions:^{1/}

If the question of social intervention is posed in terms of the greatest amount of offense reduction registered between groups, preventing the nonwhite lower socioeconomic status boys from continuing delinquency after their first offense would produce the maximum delinquency reduction. By focusing resources and attention on this group, not only would the general rate of delinquency be affected, but the incidence of violent acts of greatest seriousness would be most drastically decreased.

Other innovative cohort and life cycle work along these lines that will be reviewed for their application to our employment and crime reduction program design include Elliott's national longitudinal survey of delinquent experiences (1977) and the Rand Corporation's study of criminal careers (Petersilia and Greenwood, 1977).

The work of Wolfgang and of Greenwood, in particular, has had very immediate and practical policy implications for the criminal justice system. These studies have led criminal justice practitioners to identify youthful repeaters via new computer-based operations and attempt to swiftly process them through the criminal justice system.

The Eisenhower Foundation believes that swift and sure punishment for youthful repeat offenders is one effective means of crime control. However, it does little to prevent another cohort of inner-city youths from emerging just as swiftly as the preceding cohort is being imprisoned.

Therefore, the Foundation will pursue what no other group has yet done. We will search for what non-criminal justice interventions are suggested by the Wolfgang cohort study, the work of Greenwood, and the work of others. We will begin with employment interventions and strategies supportive of them (like House of Umjoa type extended family social

structures in which poor black males can live -- see below). As a Board member and the Foundation's Director of Research, Professor Wolfgang is especially interested in pursuing non-criminal justice approaches to the key intervention points which his cohort research has uncovered.

Although it is extremely underdeveloped from the viewpoint of urban minority youth, the new psychological development literature on male life cycle stages also will be reviewed for implications helpful to our program design. This literature, illustrated by Levinson's (1978) The Seasons of a Man's Life and Vaillant's (1977) Adaptation to Life, may give further clues to time-bounded ways in which young men in crisis are receptive to non-criminal justice interventions.

Structural Minority Youth Unemployment, Crime and Street-Level Competencies. Searching for such non-criminal justice interventions, the Foundation will review what is known about structural unemployment and street-level competencies. Implications for designing our youth employment and crime reduction program will be spelled out.

Most past employment and crime reduction programs implicitly or explicitly have been based on a human capital model: low levels of self-investment in education and training make individuals relatively unproductive, hence unattractive to

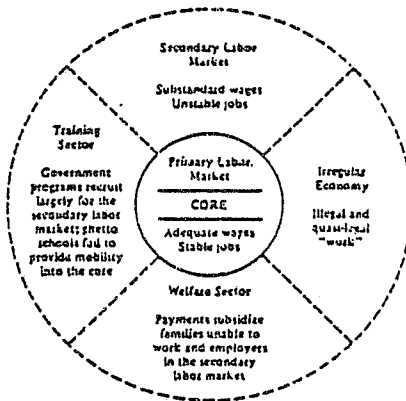
potential employers. Violent theft, like robbery, and property crime are not improbable consequences of the low investment in human capital characteristic of inner-city youth, according to this view. (See Thompson, 1980.)

However, other observers of employment policy have suggested that -- irrespective of the level of human capital deficiency -- youths face structural barriers to adequate employment. Through institutional racial discrimination and inflated skill and educational requirements, youths in high-crime inner-city areas tend to be excluded from the legal "primary" labor market -- where there are adequate wages and stable jobs. They tend to be limited to the legal "secondary" market -- with inadequate wages and unstable jobs. Alternatively, they often have better opportunities in illegal or quasi-legal markets. Most past public sector job training programs have recruited primarily for the legal "secondary" market. (See Harrison, 1972.) This is illustrated in Figure 1.

The Foundation will look at the extent to which these structural characteristics of the labor market explain the lukewarm attitude of crime-prone youth toward past public and private sector employment programs, which appear to only offer another version of the types of dead-ended jobs they already can find in the legal secondary labor market.

Figure 1

The Structure of Urban Labor Markets



Source: Harrison, Bennett, "Employment, Unemployment and Structure of the Urban Labor Market," *Wharton Quarterly*, Spring 1972, pp. 4-30.

For example, Caplan's (1973) evaluation of the Federal JOBS program found that many verbally skillful, enterprising, street-savvy minority youths dropped out of job training because they experienced more personal self-esteem and often more economic rewards from working in illegal markets than the legal secondary markets offered by the Federal government.

More recent observations among criminally involved youth in neighborhood settings also show that they develop self-esteem from the skills involved in criminal crafts, and from the autonomous work conditions of criminal business, especially when these are compared to the low skill potential, limited scope and sometimes arbitrary authority found in available legal secondary labor market jobs. (Vera Institute, 1981; Anderson, 1978; Valentine, 1978; West, 1974.)

These insights potentially have very important implications for the approaches that youth employment anti-crime programs realistically may take. For example, the findings suggest that employment programs may be attractive to youths only if and when they fail in the highly competitive and risky world of hustling. In essence, new, innovative programs would have to present competing legal alternatives that offer self-esteem, autonomy, and an opportunity to enter rewarding legal occupations.

To the extent that past public and private sector programs have recognized this finding at all, the response has been less in the realm of job training that avoids legal secondary labor markets than in the area of criminal justice interdicts. That is, criminal justice deterrence efforts (like more police, swifter processing or tougher sentences) have been advocated to make the costs of working the illegal markets so high that inner-city youths will seek the legal secondary markets -- in spite of their low psychological and economic payoffs.

There is little evidence that such programs have worked -- in no small part because they make simplistic assumptions about what does and does not deter inner-city minority youths. We suggest that the values and behaviors of many such youths are based more on peer pressure and sophisticated, pragmatic street level reasoning than on statute books and the logic of the legal system.

As an alternative strategy (or, perhaps, more pragmatically, a complementary one), an attempt might be made to accept existing inner-city competencies -- not fight them or try to neutralize them, as past job training/criminal justice responses have tried, but most failed, to do.

An effort then could be made to rechannel such competencies from illegal to legal primary markets.

The challenge is to do this so that the psychic and economic rewards to youths in legal markets are greater than in illegal markets. Similarly, the costs of such new training to society at large must be demonstrated to be less than the costs of the crime which otherwise might be committed by the inner-city youths of the costs of criminal justice interventions. This also must be demonstrated to specific corporations which might participate in our new private sector minority youth employment program. To be successful, the rechanneling from illegal to legal markets must be based on a quid pro quo: the youths, the society, and the corporations must be better off. To succeed, the game will have to non-zero sum: Everyone wins and no one loses.

As the Foundation considers designing its employment and crime prevention program along these lines, it also will examine the argument that the skills necessary for success in illegal markets are similar to the skills necessary for success in small businesses, as well as major corporations. This suggests that the techniques of Harvard Business School, to take a notable example, may have to be meshed with inner-city values and skills through carefully tailored training curricula

which use examples familiar to the street. According to this view, inner-city street savvy needs to be repackaged and given the opportunity for expression in ways more acceptable to the American free enterprise system. (Curtis, 1981.)

Neighborhood Economic Development, Jobs and Crime Prevention. Building on these inner-city-based possibilities, the Foundation will review what is known about neighborhood economic development and its linkages to employment and anti-crime programming.

Based on the groundbreaking work of Schumacher (1973) and related contributions (for example, Hallett, 1972), an alternative, micro-economic, "bubble up" theory of targeted neighborhood development has emerged. This view contrasts to non-targeted, "trickle-down" Keynesian macro-economic theory -- which, according to some, has done little to reduce economic inequality, structural unemployment among minority youths, or violence in the streets.

On the other hand, bubble-up economics means empowering neighborhood residents; facilitating their management, control, and ownership; investing in human capital to create jobs that define careers and encourage a stake in the community; and integrating neighborhood economic development with community anti-crime organization.

Consider an illustration. If youths can be trained to rehab houses, they can learn a profession with upward mobility and considerable promise for future job security -- rather than a dead-ended task that just makes work. If such rehabilitation is done in an inner-city neighborhood and the houses are homesteaded to the poor there, then constructive employment can be channeled into physical stake in one's turf. With such a stake, it may be easier to mobilize citizens to protect their property and their neighbors. If the process is guided by a neighborhood organization indigenous to the community, then there is some insurance that the benefits will not drain off and reward outside interests. If the neighborhood organization can secure job training and actual job slots from the corporate world in return from some quid pro quo through which corporations also benefit, then a partial alternative to past public and private sector employment training programs may emerge. (Curtis, 1981.)

Here, then, we will suggest ways of integrating the goals of neighborhood economic development, youth employment, stake in the community and crime prevention.

Evaluations of Past Public and Private Sector Youth Employment Programs. Finally, the Foundation will review past youth employment programs for lessons learned. This will

include ongoing efforts -- like certain demonstrations funded by the Department of Labor's Office of Youth Programs; the employment component of the \$43M Interagency Urban Initiatives Anti-Crime Program, administered at the Department of Housing and Urban Development (HUD); and the employment component of the ACTION-LEAA Urban Crime Prevention Program.

The evaluations of the HUD and ACTION-LEAA programs have not yet been completed. But the impact findings of past major evaluations of youth employment anti-crime programs generally have been disappointing (see Thompson et al., 1980). The Foundation will take a close look at these evaluations to determine not only the causes of the failures but also to discover other program aspects of possible use in our innovations. For example, what aspects of the Job Corps' approach led to that program's relatively more positive employment and crime impacts than other programs?

The Foundation will examine, as well, the administrative and social contexts of these demonstration programs in order to consider possible reasons for their lack of impact. For example, in hindsight, it is not surprising that prosecutorial diversion programs -- which offer vocational counseling and job placements to youths charged with property felonies in exchange for suspended prosecution and eventual

dismissal of charges -- seem to have no impacts. These programs offer legal secondary labor market jobs to unskilled high school drop-outs who could avail themselves of these jobs on their own.

Summary and Perspective. What is unique about this proposed review of what is known? It integrates potential action in areas not previously brought together. For we are suggesting that the design of the Foundation's new private sector youth employment and crime prevention program will be based in part on the street level decisions by minority youths between illegal and legal employment that the Vera Institute has observed in Brooklyn, the intervention policy at critical life cycle stages suggested by Wolfgang at the University of Pennsylvania and Greenwood at the Rand Corporation, the need to build on and not fight inner-city street-level competencies as suggested by Caplan at the University of Michigan, the proposal by Harrison at M.I.T. for rechanneling such competencies from secondary or illegal to primary and legal job markets, and the possibility of embracing all these strategies within the context of labor intensive, inner-city, neighborhood bubble-up economic development derivable from Schumacher's notions of appropriate technology.

Building on the Experience of Successful
Neighborhood Organizations

Our review of what is known from written material will provide one source of information for designing the Eisenhower Foundation's employment and crime prevention program -- but only one. Another source, at least as, if not more, important, is the practical experience with youth employment and crime prevention of leading neighborhood organizations and street-level practitioners. Although their experiences usually have not been evaluated in formal, scientific ways, these organizations provide common-sense approaches based on real life inner-city and barrio behavior and values which can lead to specific Foundation facilitated programs tested at specific sites.

For the most part, past public sector youth employment and crime prevention programs have imposed distant bureaucratic decisions and the opinions of outside "professionals" on the persons at the local and street level who then are ordered to implement them. The Eisenhower Foundation believes that it is of absolutely critical importance to reverse this process. Accordingly, early on, a workshop will be held in which neighborhood organizations and leaders from throughout the country will be invited to share their experience, network with their peers and make their

recommendations for the design of the Foundation's youth employment and crime reduction program.

The workshop will be co-hosted by Sister Isolina Ferre, Director of the Center for Orientation and Services (El Centro) in San Juan, Puerto Rico and Sister Falakah Fattah, Founder of the House of Umoja in Philadelphia. El Centro (see Appendix 2) and Umoja (see Appendix 3) are among the most nationally recognized neighborhood organizations with success in linking community regeneration, youth programs and crime prevention. Sister Isolina and Sister Fattah are both on the Foundation's Board of Directors. In his October 1981 speech to the National Alliance of Business (reproduced as Appendix 4), the President praised the spirit and success of Sister Fattah, as he announced his new Task Force on Private Sector Initiatives.

With such leadership, the Foundation is assured of having the neighborhood organizations and leaders most experienced in community level youth employment and crime prevention invited and represented at the workshop, which will be held in Philadelphia. Although Sister Isolina and Sister Fattah will take the lead in deciding who is invited, examples of other organizations with innovative experiences which therefore may attend include the Louisville, Kentucky,

Charlotte, North Carolina, and Toledo, Ohio exemplary public housing sites in the \$43M HUD Interagency Urban Initiatives Anti-Crime Program (see our separate Neighborhood Anti-Crime Self-Help Proposal for details on these sites). Still other possibilities may be the Carr Square Tenant Management Organization, Jeff-Vander-Lou, Inc., Syracuse, New York's Harambee-Westcott Youth Organization, neighborhood groups with successful records as CETA Prime Sponsors, and neighborhood groups with successful involvement in the CETA Title VII Private Sector Initiative Program.

The workshop will be run by (not for) the indigenous neighborhood participants, will not involve bandstanding sessions or one-way lectures, will require that all participants come with a prepared summary of their experience and recommendations, will include critiques of the review of what has been written (discussed above), will be organized into peer sessions in which positions are presented and revised based on feedback with others, and will conclude with a group-prepared outline for how the Foundation's demonstration should be designed and what substance it should embrace.

To help create the right atmosphere for a process aimed at eventual partnerships with corporations, selected companies with good track records in youth employment

innovations also will be invited to bring summaries on paper, make recommendations, and participate in the feedback workshops. Examples are IBM, with its work with the Bedford-Stuyvesant Restoration Corporation, and the Control Data Corporation, with its sponsorship of the City Ventures Corporation and its youth employment programs in San Antonio. (San Antonio's Mayor Henry Cisneros is on the Eisenhower Foundation's Board and is interested in pursuing such ventures.) Among others, we also will invite the National Alliance of Business and related organizations, representatives of insurance companies leading the new minority youth employment initiative discussed at the beginning of this proposal and persons from successful Private Industry Councils (PICs).

What kinds of experiences useful in the design of the Foundation's program can this in-person networking expect to yield? Until the workshop, we can only be illustrative, but neighborhood groups to date have provided experience in the use of:

- ° Existing competencies;
- ° Peer counseling, attitude change and self-help;
- ° Employment that benefits the individual as well as the community; and
- ° Human supports that help make employment programs work to reduce crime.

Consider in more detail how the experience of neighborhood organizations in these areas can be expected to yield innovations at our workshop -- ideas which contribute to the design of the Foundation's employment and crime prevention program:

Existing Competencies. At the workshop, Sister Isolina can be expected to describe how El Centro builds on, rather than competes with, street-level interests and competencies. This is consistent with Caplan's work (above) and reinforces the need to reverse past youth employment and crime prevention program failures by utilizing these competencies. In her community of La Playa, Sister Isolina has successfully cultivated individuals by building on existing interests:^{2/}

La Playa adolescent boys are fascinated with horses, and stealing them has the same appeal that stealing cars does in some cities of the United States. By taking advantage of the universal interest in horses, El Centro was able to attract many young people. Without commenting on the stealing itself or trying to apprehend or punish thieves, El Centro announced an equestrian club and drew a large number of enthusiastic volunteers, each bringing his "own" (stolen) horse. A veterinarian was recruited to the center to explain how to care for horses and to discuss riding and related topics. This inspired intense discussions that went beyond horses to matters of club organization and to questions of values and personal conduct. Little by little the youths themselves

found it necessary to learn things and sought answers to problems. The process of learning was intimately bound up with their own initiative. In the course of a growing involvement of young Playeros with the center activities, horse stealing gradually stopped. At first, says Sister Isolina, boys nobody wanted to touch were running wild over the streets with stolen horses, but then these same boys became part of a society organized with recognized rules and values.

Hence, El Centro has used existing competencies as magnets to attract additional values and behaviors more acceptable to the outside society and economy, where most employment opportunities can be found.

Peer Counseling, Attitude Change and Self-Help.

Similarly, Umoja has employed peer counseling in how to prepare for job interviews. Without discarding street values and the family-based sense of community cultivated by Umoja, young men there taught themselves, through help of older Umojans, the values and behaviors needed to win a job in the outside world:^{3/}

The youths came up with the idea of a job clinic where they would teach one another basic articulation and English language skills and participate in self-development and debating classes. They collectively decided that, when a brother was granted a job interview, everyone else in the House would lend him a piece of clothing so that the brother going on the interview would be the best dressed person coming out of House of Umoja that day. Cool caps and earrings

were abandoned, and street talk was minimized. These employment strategies paid off. The Umoja brothers started getting jobs, slowly, one by one.

In much the same way, the Louisville site of the HUD Interagency Urban Initiatives Anti-Crime Program has implemented a Pre-Employment Placement (PEP) Program through the NAACP. It is designed to deal with the conclusion by many young inner-city men that, given structural unemployment and institutional racism, illegal activity is more rewarding economically and psychologically than legal activity. For some young men, this indeed is the case. For others, the Louisville experience to date suggests that "decriminalizing their attitudes" can facilitate behavior that leads to jobs with upward mobility. For youths prepared to make the attitude change, rechannel their existing competencies, and learn new primary-job-market-oriented competencies that co-exist with street level competencies, a job placement and skill training bank provides job slots made available by businessmen and contractors. Hence, the Louisville program is on the front line, dealing with the issue of whether rechanneling a youth from illegal to legal employment can prove to be a non-zero sum game -- with minority youths, employers and society all winning and no one losing.

Other organizations that are likely to attend our workshop can be expected to describe ways in which street level skills are channeled more directly into the primary job market with a minimum of additional, "straight" economic skills required. For example, the Harambee-Westcott Youth Organization has reported successful ventures in businesses with light trucking run by members of youth organizations.

Employment that Benefits the Community. With black teenage unemployment rates at 80 percent in many deteriorated inner-city areas, public job cutbacks, and insufficient partnerships to date between neighborhood organizations and businesses/corporations, job slots from corporations often are not available for innovative new private sector programs. At Umoja, this is dealt with through work done for the extended family and community, which may or may not involve immediate, or any, financial remuneration:^{4/}

House members work collectively to address the needs of the family and the larger community. Integrated with the concept of service is a host of needs, such as protecting the neighborhood against crime and vandalism, caring for children, repairing houses, and assisting in providing recreational opportunities for youngsters. In return for labor, a youth receives clothing, food, temporary shelter, and other forms of acknowledgment. There is less emphasis on individual pursuits than on collective goals and achievement.

Although many efforts to involve the poor in unpaid service work fail, Umojans stick with it. This is because such work builds their own identities -- by contributing to the extended family which nourishes those identities.

Corporations may not set aside job slots for such work, but some do provide financial support to Umoja, which, by reason of its continued existence, then can continue to provide employment, even if the rewards are more psychic than economic. The means by which corporations have become involved with Umoja center back on the unity, stability and safety-inducing qualities of the House -- the very features that make nonremunerative or poorly paid employment bearable to the youths who live there.^{5/}

When the phone company threatened to shut off service, Sister Fattah and the young men went down to the company to plead their case. Sister Fattah called this their introduction to corporate responsibility. When executives at Bell Telephone heard their case and the history of their efforts, they were genuinely interested. Bell Telephone and the House of Umoja became immediate friends, and Bell often lent financial support to Umoja's programs. The company had previously been plagued by young vandals who frequently defaced and destroyed service trucks as they went through the community. When word got around that Bell Tel was "cool" and sympathetic to the efforts of Umoja there was an appreciable decline in the vandalism of service trucks.

But over how many years of a life cycle for how many young men can Umoja, and institutions like it, expect to offer low-paying or non-paying work that builds self-respect as it regenerates the community? After they have left the House, some Umojans come back to help out younger men. What of others who leave Umoja? Does their Umoja-based self-respect alone lead to upward mobility, job opportunities with meaning, and an associated avoidance of illegal job markets or violent theft? Likewise, do El Centro's highly successful methods of building on existing competencies or Louisville's attitude decriminalization lead to jobs that are not dead-ended and that overcome racism, structural unemployment and resort to illegal markets later on? Or are there critical links still to be made with those who control upwardly mobile job slots in the private sector? Can such slots provide a career ladder for the individual, be targeted on revitalizing the indigenous community and also induce less crime? The workshop will address these issues through a review and self-criticism by neighborhood leaders of their progress to date.

Human Support that Helps Make Employment Work. El Centro, Umoja and other neighborhood organizations with experience in job training, community building and crime reduction use various forms of human support to provide a stable base upon which an individual can build -- in terms of

securing jobs as well as creating personal identities. Umoja offers an extended family-type organization and a form of black, street-level, group therapy for personal problem solving through which individuals build positive identities. This affects willingness and ability to secure employment.

The Eisenhower Foundation's workshop will compare such human supports in different forms and places and ask how essential they are in leading to our ultimate objectives in this project -- securing employment with upward mobility and reducing crime by those employed. Might Umoja-type supports be a critical part of an employment strategy for a fifteen-year-old gang member from a broken home? Alternatively, for some twenty-four-year-olds, might marriage be a better vehicle for human stability, with the tie to the community organization being as mentors to fifteen-year-olds? For other youths, perhaps the right job is the key, with additional human supports being marginal. At the workshop, we will probe for experiences which will illuminate these issues -- and draw conclusions which can be tested in our employment and crime prevention program.

Program Design and Funding:
Working with Corporations, Foundations and Philanthropists

The Eisenhower Foundation has been established as an institution which mediates between and brings together neighborhood organizations and corporations, among other groups. Hence, we intend to work with corporations in designing the employment demonstration at the same time that we work with neighborhood organizations.

From the very beginning of the project, the Eisenhower Foundation will begin lining up job slots provided by major corporations, national business alliances and local businesses. We also will seek to leverage commitments from corporations, local businesses, foundations and individual philanthropists for direct funding of neighborhood organizations certified by the Eisenhower Foundation. The neighborhood organizations will use such funds to employ youths in jobs that regenerate the immediate community and reduce crime. Following the El Centro and Umoja examples, this work might include training and placement in housing rehabilitation, child care, elderly services, recreation programs, and supportive crime prevention efforts to maintain person and property in regenerated areas.

As the Foundation secures and leverages slots and funds, we will not ask for "hand outs" -- but rather will seek to negotiate quid pro quos whenever possible -- for example, a business transaction where a corporation helps itself while it facilitates ways in which others can help themselves. This is detailed in our separate Neighborhood Anti-Crime Self-Help proposal. To illustrate, we might seek job slots from a corporation in return for a neighborhood organization's plan to reduce crime and fear in places surrounding corporate plants or franchises -- including convenience stores (for example, 7-Eleven) and fast food stores (for example, McDonalds).^{*/}

This approach is consistent with the view of the one hundred insurance leaders, quoted in the opening section of this proposal (and also in Appendix 1), that their minority youth programming will avoid "welfare," "do-goodism" and be consistent with the economic objectives of free enterprise.

It will be the major responsibility of the Director of the project to secure such commitments from corporations, as

^{*/} As much as possible, we will try to target persons receiving these slots in neighborhoods already involved in self-help anti-crime organizing by residents -- either through our own Neighborhood Anti-Crime Self-Help Program or through community anti-crime programs funded from other sources. Indeed, our own Neighborhood Program incorporates employment strategies, along with other components. However, because youth employment and crime prevention programs have had such low levels of success in the past, the Eisenhower Foundation believes that the separate proposal made on these pages is necessary before a more successful effort can be mounted to use youth employment as a means of reducing crime.

well as from foundations and individual philanthropists. The task will not be easy -- but corporate minority youth employment initiatives, like those of the insurance industry, the concern with new youth employment innovations by many of the leading foundations, and the current Federal government encouragement of private sector initiatives all are promising.

Our strategy will be based on a network of personalized contacts made by the Eisenhower Foundation's Board Members. The Board has considerable access to the corporate world, and we will begin with contacts at the highest levels -- Chairmen and Chief Executive Officers. Working closely with our Board Members, the project Director then will follow-up the initial contacts, staff out the development of a plan jointly with each corporation on a highly individualized basis, and serve as an intermediary in final negotiations and assurances with the corporation, the Eisenhower Foundation and the neighborhood organizations involved.

At initial meetings with corporations, the Project Director will present options for how an employment and crime reduction program might be implemented at a site chosen by the corporation (probably in places where the corporation is located). If a corporation is interested, we will co-design with it a program based specifically on the corporation's

experiences and needs. Depending on how fast the design proceeds, corporate representatives will be invited to the neighborhood organization workshop. The program design that results from the workshop recommendations as well as the review of what has been written will be presented in later one-on-one meetings with the corporation -- where we will negotiate out a design which also fits the proposals of the corporation. This will include negotiations on specific sites and neighborhood organizations with which the corporation will work.

Whereas the Eisenhower Foundation initially will approach corporations in an informal way, we will more formally submit proposals to foundations and individual philanthropists. Support will be sought for job slots and training leveraged against corporate commitments -- as well as funds for the program evaluation and related research based on the Wolfgang youth cohort data files (see below).

We also will seek to co-target, leverage and match resources with the Local Initiatives Support Corporation (LISC) -- which is financed by the Ford Foundation and a number of corporations. LISC is focused on private sector neighborhood economic development. The potential link is obvious with a private sector Eisenhower Foundation program that seeks to

integrate crime prevention, minority youth employment and neighborhood regeneration.

Although we emphasize that, at this point in time, there are no formal agreements between LISC and the Eisenhower Foundation, we have made preliminary contacts. We also believe that the following LISC sites illustrate the kinds of places where LISC-corporate-Eisenhower Foundation partnerships may be possible: Bayfront Action, Erie, Pennsylvania; the Chicago Rehabilitation Network, Chicago, Illinois; the Flatbush Development Corporation, Brooklyn, New York; Inquilinos Borecuas en Accion, Boston, Massachusetts; the North River Commission, Chicago, Illinois; the Pacific-Asian Consortium, Los Angeles, California; the People's Consumer Cooperatives, Chicago, Illinois; the Pontiac Citizen's Coalition, Pontiac, Michigan; Pyramid West, Chicago, Illinois; the San Bernadino, California West Side Community Development Corporation, San Bernardino, California; the Southern Brooklyn Redevelopment Association, Brooklyn, New York; the Sunset Park Redevelopment Association, Brooklyn, New York; the Southwest Detroit Business Association, Detroit, Michigan; and the Southwest Germantown Community Development Corporation, Philadelphia, Pennsylvania.

After details have been worked out in more individualized negotiations, a second workshop will be held in which all the corporations, foundations, individual philanthropists and neighborhood organizations which are committed to a direct role in our employment and crime reduction program work out any remaining issues and discuss how they fit into the overall effort.

Design of the Program:
Some Illustrations

Ultimately, after mediating among the recommendations from the review of what has been written, the recommendations of the neighborhood organizations, and the priorities of the participating corporations, foundations, and philanthropists, the Eisenhower Foundation will design a number of innovative demonstrations at different sites.

Although the specifics of the design only will emerge within the course of the proposed eighteen-month grant period, we can at least make clear at this stage the kinds of characteristics that all of our employment efforts will possess -- as well as the kinds of innovations which we will vary so we can test their effects. In other words, what do we envision as the "givens" and what are likely to be the "variables" at different employment demonstration sites?

Based on what has been discussed so far, the givens will include:

- ° Placement of youths in primary labor market employment -- or positions that can at least "bridge" the gulf between secondary and primary labor market placement.
- ° A partnership with neighborhood organizations certified by the Foundation as the vehicles for administering and coordinating most training, placement and ongoing support.

- ° A partnership with corporations, foundations, philanthropists and (possibly later) the public sector as the providers of job slots or resources through which neighborhood organizations can administer youth employment with crime reduction implications.
- ° Selection of minority youths who have some degree of street skill and competency, show promise for further developing their street competency, live in high crime areas, and have no or minimal prior police contacts (ideally no more than one).
- ° Avoidance of youths who already have demonstrated great success in street hustles and illegal market activity or who already are well into a criminal career.

The last two bullets, above, require further explanation. The Foundation does not propose to test primary labor market employment for highly successful hustlers or hard core repeat offenders. This would be interpreted by people on the street as well as in the corporate and foundation worlds as rewarding such activity. In addition, the mind set of the relatively small number of highly successful street hustlers or repeat offenders probably would proscribe them from making a sincere effort with any legal primary market employment we propose, however attractive. We believe that interventions here are more appropriate by the criminal justice system.

For its part, the Foundation will seek out minority youths who have at least minimal street competencies or the potential for parlaying existing street competencies into successful hustles or criminal careers. In looking for candidates, we will be mindful of the Wolfgang, et al. (1972) cohort study conclusion that the optimal point of intervention is after one police contact (although we surely will not discriminate against youths in high crime areas who don't have any contacts). With such youths, then, we will seek to develop successful primary market or bridge employment -- so neighborhood organizations can point to them on the streets as alternative role models to highly successful hustlers in illegal markets or hard core repeat offenders.

With these givens in mind and based on the preliminary discussions, above, key variables that our demonstration sites are likely to test and compare include:

- ° The type of employment program (e.g., placement in a firm versus community work) -- and its relationship to the life cycle stage of the employee.
- ° The type of underlying human supports, training, counseling, and education -- and its relationship to the life cycle stage of the employee.
- ° The means by which the employee's slot is financed (e.g., corporate sector slots, foundation financing of community slots, or later public sector financing).

- ° The relative impacts over youthful life cycles of noncriminal justice interventions compared to criminal justice interventions.

It is premature to detail here all the issues of design which such a list raises, other than to say that we will examine the effect of a discrete number of interventions judged to be most important -- based on recommendations from the review of what has been written, recommendations from the neighborhood organizations, and priorities of the participating corporations, foundations and philanthropists. (The section below on evaluation design specifies more of these issues.)

However, based on the variables and the givens which have been suggested, we can illustrate some possible approaches or models which might be tested at demonstration sites. While these approaches aim toward primary labor market placement of youth and partnerships between corporations and neighborhood organizations, each one would attain these objectives through different means and at different speeds. The approaches also differ with respect to the speed with which primary labor market placement is effected. Consider, then, a bridge employment model, an inner city enterprise model, and a corporate career model:

Bridge employment. This possible model places youths in subsidized, on-the-job-training and education slots in medium and small sized firms with prospects for high growth in coming years.

New York's Private Industry Council has pointed out that -- in the midst of macro-level labor surpluses -- some firms in certain industrial sectors nonetheless are experiencing shortages of skilled and semi-skilled labor. These firms -- which recently have been the fastest generators of new jobs -- stand halfway between the secure companies of the primary sector of the economy and the precarious small firms of the secondary sector (Burch, 1979). While available semi-skilled job slots are just barely beyond the grasp of minimally trained inner-city youth, these firms are unable to find adequate labor supplies elsewhere.

Under this model, cooperating private sector organizations would subsidize youth placements in participating smaller firms -- for example, the corporation's customers or supplier companies. Youths could be placed in part-time trainee positions combined with part-time schooling. Over the course of the program, the mix of training and schooling would be changed in the direction of greater work involvement. Placements in these small firms might deliberately be designed

as the first steps to eventual work placements in firms more closely approximating the primary labor market model.

Participating private sector firms also might devote staff resources to provide technical assistance.

Inner-City Enterprises. This possible model would be designed for younger individuals with fewer academic skills than persons in the first model. One particular approach might be to create community organization-sponsored and youth-managed businesses. Private sector organizations would supply technical assistance and buy products or services from these ventures. For example, a participating firm might contract for cleaning services from a community organization youth business.

While the types of labor envisioned under this model are similar to the secondary labor market jobs which youths often appear to reject in favor of illegal job markets, the emphasis in this approach is on the development of enterprise skills and the acceptance of adult responsibilities through self-management and peer pressure. Educational competencies could be developed within this approach as they seem to fit in with the requirements of the enterprise. For example, members in the venture might elect to send some of their participants to take business courses in a local high school or community

college, if it were necessary to improve the venture's bookkeeping practices. As a specific objective of the model individual transitions to higher education or to primary labor market employment also could be designed.

More than the first model, this model might lend itself to human supports, like the Umoja extended family, and to employment that rebuilds the inner-city community -- but this is the kind of assertion which would want to carefully test in evaluating such a demonstration.

Corporate careers. Under this possible model, youths with the highest street competencies and the potential for successful careers in illegal markets would be offered training/education slots in participating corporations. It would be our assumption -- to be tested -- that enough youths would be willing to trade-off a high but unpredictable income from potential future success in illegal markets in return for the lesser risk and more regularized income from primary labor market employment.

The program might involve three successive steps: one year for catching up with academic competencies, one year for apprenticeships in production line and clerical rungs combined with community college courses (either individual enrollment or a special community college program), and a final

year in management trainee positions combined with community college courses.

Participating private sector organizations might provide financial support in the form of starting level salaries and community college tuition. They also might devote internal staff time to training, supervision, and organization of the program.

Other Models. These are just illustrations of the kinds of models which might evolve in our design. There are likely to be others, based on the review of what has been written and on the recommendations of neighborhood groups, corporations, foundations and philanthropists. As just one example, we may build on some of the lessons from the L.I.F.E. Project evaluation, run by Dr. Kenneth Lennihan, one of our technical advisors (see below).

Programmatic Development Staff

Ms. Beth A. Paulson will serve as overall Project Director. Her tasks will be to work with Eisenhower Foundation Board Members to secure funding from corporations, foundations, and individual philanthropists for job slots, training and evaluation; implement the recommendations from the literature review, neighborhood organizations and corporations into a

detailed, practical action plan that can operate in the real world; and generally administer and coordinate the entire operation.

Currently, Ms. Paulson is Special Assistant to the Director of the Louisville Housing Authority. She has written and lobbied for successful grant applications for the Authority that have brought in over \$30M in public funds. This has included CETA youth employment funding and funding for the HUD Interagency Urban Initiatives Anti-Crime Program (which was composed of grants from HUD, the Labor Department, the Justice Department and the Department of Health and Human Services). Ms. Paulson administered the local HUD Anti-Crime Program during its early developmental stages, selected all staff members, and facilitated the leadership of indigenous neighborhood and public housing groups in the overall self-help plan and its incorporation of youth employment job slots.

Equally important, Ms. Paulson has just completed an Urban Development Action Grant proposal for the City of Louisville. The proposal presently is under consideration by HUD. The application leveraged \$11M in local private sector financial commitments. Such success in leveraging with the private sector is a crucial ingredient in the Eisenhower Foundation's program.

This track record illustrates the many qualities which the Eisenhower Foundation requires of the Director of the present, ambitious project. The Director must have the intelligence, confidence, assertiveness, style, tact, political saavy, personal appearance, persuasiveness, and writing ability to negotiate with corporations, foundations, and individual philanthropists for funds. She must have substantive knowledge in employment training, anti-crime self-help, community organizing and neighborhood economic development -- in order to relate to the persons reviewing the literature, neighborhood leaders, foundation experts and corporate/financial executives. Finally, she must have a commitment to indigenous self-help, based on experience gained at the local, non-Washington, D.C., grass roots level.

Ms. Paulson possesses all of these qualities. She holds an M.A. in Political Science from the University of Kentucky and an M.S.W. from the University of Louisville.

Dr. Orlando Rodriguez will serve as Director of Information. He will integrate what has been written and researched to date, systematically contact other scholars working on issues of employment and crime prevention for their insights and feedback, participate in the preparation of the recommendations from the neighborhood organizations, work with

the outside assessment team in the design of the program's evaluation, contribute to the design of the proposed Wolfgang cohort research (see below), coordinate with Ms. Paulson in developing the details of the ultimate demonstration design, and generally serve as a partner with the Project Director in identifying and solving problems as they arise in every aspect of the project.

Dr. Rodriguez is an Associate at the Hispanic Research Center of Fordham University; formerly was an Associate on the Vera Institute's Crime and Employment Project; has written extensively on minority, mental health, crime prevention and humanpower issues; and currently is involved in NIMH sponsored research with community groups in the South Bronx. He holds a Ph.D. in Sociology from Columbia University.

The Board of the Eisenhower Foundation will be involved at many levels. Sister Isolina and Sister Fattah, along with their staffs, will run the neighborhood workshop, attract other minority community leaders, and direct preparation of recommendations from neighborhood organizations. Dr. Eisenhower, Reverend Houghton (Corning Glass), Mr. Brooke (O'Connor and Hannan), Mr. Cutler (Wilmer, Cutler & Pickering), Mr. Shields (Dupont) and other persons now being invited to join the Board will help network in the corporate world. Mayor

Cisneros, working through his aide, Mr. Gene Rodriguez (of the Mexican-American Unity Council and the University of Texas), will facilitate opportunities for linking employment to economic development. Dean Morris and Professor Wolfgang will advise on the literature review and demonstration design, as well as help approach foundations for support.

Mr. Ross Jessup illustrates the other neighborhood leaders who may be tapped by Sister Isolina and Sister Fattah. Mr. Jessup presently is Director of the OASIS Youth Self-Help and Employment Program in Louisville, Kentucky. OASIS sees crime as a symptom and addresses its underlying causes in hard-core, low-income neighborhoods. Mr. Jessup provides training to youth in how to solve a variety of day-to-day problems. His Pre-Employment Placement Program is designed to "decriminalize young men." The focus is on first changing attitudes of young minority men so that they then allow themselves to learn what it takes to gain legal market jobs that provide upward mobility and overcome structural unemployment. An ex-offender, Mr. Jessup also is Chief Program Coordinator for the Louisville NAACP and Director of the NAACP's State Prison Program -- in which he applies his consciousness-raising methods to presently incarcerated offenders.

Mr. Joseph B. McNeely, Director of the Development Training Institute Baltimore, Maryland, which is affiliated with the Corporation for Public/Private Ventures, Philadelphia, Pennsylvania, will supply management training to neighborhood organizations on the administration of youth employment job slots and training. He also will assist corporations which may be administering job slots and training programs on any refinements in present corporation programs which may be needed for the low-income youth minority population that will be involved in the demonstration.

The goal of the Development Training Institute which Mr. McNeely runs is to increase the number of competent neighborhood economic development professionals available for the staffs of neighborhood development organizations, community development corporations and public economic development agencies. The Development Training Institute is accomplishing this goal both by training new professionals for the field of community economic development and by providing systematic education programs for those already in the field.

Mr. McNeely formerly was Director of the Office of Neighborhood Development at HUD. In addition to facilitating neighborhood self-help economic development, the Office administered a national \$8M youth employment demonstration

program with funds from the Department of Labor. Neighborhood organizations supervised these job and training slots at the local level.

Dr. Kenneth Lenihan will consult with Dr. Rodriguez on the literature review, the demonstration design, and the design of the evaluation. From 1971 to 1975, Dr. Lenihan directed the L.I.F.E. project (Living Insurance for Ex-Offenders). The study was done in Baltimore, Maryland. The purpose of the work was to reduce recidivism among released prisoners by providing them with financial aid. The results of the study were published in a DOL Monograph entitled Unlocking the Second Gate. Based on the L.I.F.E. project, another study was done with the American Bar Association. It was called the Transitional Aid Research Project. As a result of the project, a book entitled Money, Work and Crime has been published (Academic Press). Dr. Lenihan holds a Ph.D. from Columbia University and is an Associate Professor at John Jay College in New York. He is the Project Director on the Eisenhower Foundation's proposed evaluation of the Guardian Angels in New York City.

Evaluation

In the course of the proposed eighteen-month project, the Eisenhower Foundation will develop and secure funds for an evaluation of the demonstration program at all sites.

Past programs which have been even remotely close to the intents of the present proposal have been poorly evaluated. The Foundation will reverse this -- and design an evaluation upon which future decision-makers can implement with confidence variations of our efforts, if they prove successful.

At this point in time, we cannot provide methodological details of what the evaluation will look like. First, we will have to design the substantive demonstration models and determine how many job and training slots in what places can be secured.

However, we can suggest the likely directions of the evaluation. There will be at least three objectives: (1) to measure -- for each demonstration model -- the program's impact on employment experiences and criminal behavior; (2) to examine the demonstration's planning, implementation, and actual program operations; and (3) to estimate the economic and social benefits of the program among participating minority youth and corporations and foundations.

These objectives will be accomplished by a combination of quantitative and qualitative research techniques. For example, intake statistics on the criminal background and labor force experiences of participants can be supplemented with documentary accounts of program managers' and corporation personnel's attitudes toward youths' criminal background and labor force experience. Among the questions the evaluation might answer are the following:

- ° What impacts did the program have on youths' employment and criminal experience? How did these impacts vary by program model?
- ° What was the relation between the program's assumptions and its impacts? Did the program succeed for reasons other than its action premises? If the program failed, was it because of incorrect assumptions about the causes of youth employment and crime, or for other reasons?
- ° How were the program models implemented? What kinds of difficulties were experienced by participating neighborhood organizations and corporations in putting the program's plan into action?
- ° How did participating minority youth perceive the program? Were their attitudes toward the program in accord with the demonstration's assumptions about the orientation of inner city youths toward legal and illegal activities?

- ° Did the program pay off with respect to youths' increases in human capital and productivity? What economic benefits, if any, did participating corporations derive from the youths' work?
- ° Can the program's anti-crime impacts be expressed in terms of economic benefits to individuals and corporations from reduced crime?

Insofar as program conditions permit, a rigorous experimental evaluation will be conducted. Youth whose criminal background and labor force experience fit a particular demonstration approach's intake criteria will be randomly selected for participation. Youth who are not selected will be assigned to a control group. Structured interviews will be administered to both experimentals and controls prior to participation in the program. Over the demonstration's life, participants and controls will be administered follow-up interviews.

Because of our emphasis on changing behaviors and intervention possibilities over different life cycle phases, and because past experience has shown that the impacts of such demonstrations -- targeted at one of the most intractable American dilemmas -- take time to become evident, the demonstration and evaluation will need to follow participating youths for a considerable time. Three years is a minimal period which we may consider.

The key research variables (some of which we discussed in the previous section) will be measured both for pre-program experience and program participation. A small subsample of participants will be randomly selected for in-depth interviews about their perceptions of and attitudes toward past and present involvement in legal and illegal activities. Program personnel and personnel from participating corporations will be interviewed in-depth for their perceptions and attitudes toward the program and its participants. Participant observations at host sites also will be incorporated.

The evaluation will be designed during the eighteen months of the present proposal by the Center for Urban Affairs and Policy Research at Northwestern University. Later, the Center will actually undertake the evaluation. The Center has conducted or advised on almost every major citizen/neighborhood anti-crime evaluation or research effort over the past six years.

The evaluation design leader will be Dr. Paul J. Lavrakas, Research Associate at the Center. Dr. Lavrakas has headed the following neighborhood anti-crime evaluations:

- ° Principal Investigator for "Citizens' Reactions to Crime in Evanston," funded under contract from the Evanston Police Department.

- Co-Principal Investigator and Project Manager for the "Citizen Participation and Community Crime Prevention Project," funded under grant #78-NI-AX-0111 from the National Institute of Law Enforcement and Criminal Justice.
- Principal Investigator and Project Director on "Crime Prevention Through Environmental Design Commercial Evaluation," funded under contract #J-LEAA-022-74 from the Law Enforcement Assistance Administration.
- Project Administrator, "Citizen Crime Reporting Projects' National Evaluation," funded under grant #75-99-0088, from the National Institute of Law Enforcement and Criminal Justice.

Dr. Lavrakas has a Ph.D. in Social Psychology from Loyola University of Chicago and an M.A. in Experimental Social Psychology from Loyola.

Other professional staff from the Northwestern Center also will contribute to the design -- especially Dr. Dan E. Lewis and Dr. Wesley G. Skogan. Dr. Lewis has been Co-Investigator of the National Institute of Justice funded Reaction to Crime Project, the Citizen Participation and Community Crime Prevention Project and the Local Crime Survey Dissemination Program. He was Director of the Stanford University Workshops on Political and Social Issues. Dr. Lewis has a Ph.D. from the University of California, Santa Cruz.

Dr. Skogan has been Co-Investigator on the same projects as Dr. Lewis. He has written seven books or monographs -- the most recent, forthcoming from the Oxford University Press, on victimization of the elderly. He is a member of the Editorial Boards of many leading journals.

Coordinated Wolfgang Cohort Research

Earlier, we discussed the special interest that Professor Wolfgang, Board Member and Director of Research of the Eisenhower Foundation, has in using his cohort analysis to examine the impact of non-criminal justice interventions over the youthful part of the life cycle.

We therefore propose to do just that, and integrate into our plan an invaluable source of additional information which can provide guidance to future decision makers.

To explain, we first need briefly to describe the remarkable Wolfgang data base. It consists of the complete history of police contacts from age ten to age eighteen of all persons born in Philadelphia in 1958. This "birth cohort" comprises approximately 28,000 subjects, who are nearly evenly distributed across sex and age categories. Of these subjects, more than 6,300 have had at least one recorded juvenile police contact. Of those having at least one such contact, about

1,200 have had the contact for a violent offense, including homicide, forcible rape, robbery and aggravated assault.

We now propose to do several things with this enormous and unique data base. A sample of the 28,000 subjects will be identified. Their official records of police contacts over time will be updated to age twenty-five. Hence, we will have their criminal justice histories empirically recorded from ages ten to twenty-five.

The persons in this sample then will be located and personally interviewed. The interviewers will ask questions on the variables of interest in our demonstration/evaluation. For example, the interviewers will record employment histories; patterns of movement between legal and illegal job markets; the reasons for such patterns; movement among secondary, bridge and primary employment; the reasons for such movement; experience in any consciously designed private or public sector employment programs; perceived costs and benefits of those programs; the degree to which any job experience built on or competed with existing street competencies; the impact this had on the recorded criminal justice experience over years ten to twenty-five; the influence of the community; the presence or absence of various human support systems at different times between ages ten and twenty-five; and type and extent of education -- among many other variables.

Hence, we will obtain both criminal justice and non-criminal justice information over a fifteen year period for a large number of subjects. Sophisticated forms of data analysis then will be used to reconstruct a time-indexed sequence of life events in which significant relationships among these variables are uncovered. For example, if certain kinds and degrees of illegal and legal economic participation typically precede or occur simultaneously with various forms of other criminal activity, then evidence exists for their causal connection. Policy initiatives then can be developed which focus on the most important causal antecedents, or combination of them -- for example, on unemployment as a determinant of criminal activity. Similar time-indexed sequences can be traced with the other variables which we have discussed in this proposal.

This is the sort of thing which the pathbreaking Vera Institute study, cited throughout this proposal, has started to do -- but with a very small number of subjects over a few years. The unique Wolfgang data base will allow us to test the Vera ideas (hypotheses) -- but for a far larger number of subjects and variables over a much longer period of time (the age ten to twenty-five life cycle period when both unemployment rates and crime rates are disproportionately high for minority males).

Such an analysis -- which has never been done before -- then can be compared with the results of our demonstration program and its evaluation. The demonstration/evaluation has the advantage of carefully constructing innovative non-criminal justice intervention strategies and testing whether they work. Its disadvantage is that we will do this for only a relatively few individuals over a relatively short time. The Wolfgang cohort study now also proposed has the advantages of far more subjects and a far longer time period. However, rather than examining only the specific interventions in which we are interested, a grab bag of interventions and experiences will be recorded in the Wolfgang cohort. The statistical analysis will have to identify which are irrelevant and which shed light on our effort to unravel desirable non-criminal justice interventions -- and their relationship to criminal justice interventions, personal development, human support systems and the many other variables of interest here.

In sum, then, the proposed Wolfgang cohort research will complement the demonstration program and its evaluation. Our eventual recommendations to decision makers on youth employment programs that provide upward mobility and reduce crime by those employed will integrate both the cohort results and the demonstration/evaluation conclusions. This is a way of "triangulating" different kinds of imperfect information to

verify that our practical program, recommendations are on target.

Let us be clear, however, on just what we propose to do during the eighteen months of the present proposal. Just as we plan only to design the demonstration/evaluation and secure funds for its implementation, so we here are only proposing to plan the new Wolfgang cohort study and secure funds for it.*/
The actual new cohort study then would be undertaken at the same time as the actual demonstration/evaluation program.

The plan will be designed under the supervision of Dr. Wolfgang and Dr. Neil Weiner -- Research Associate at the University of Pennsylvania's Center for Studies of Criminology and Criminal Law. Dr. Weiner has a Ph.D. from the University of Pennsylvania and was a post-doctoral fellow at Carnegie-Mellon University under Dr. Alfred Blumstein. He is Director of the Center's Interdisciplinary Study of Criminal Violence Program, funded by the National Institute of Justice. Dr. Weiner will work closely with Dr. Rodriguez and Ms. Paulson.

*/
The cohort study plan will have to address a host of difficult methodological issues, like problems of recall during the interviews. The complete plan will include designs for the interview schedule, sampling procedures, pilot testing, training of interviewers, data collection, data preparation for analysis, and the actual analysis.

Tasks and Milestones

Figure 2 lays out eleven tasks over an eighteen-month period:

1. Seek Job Slots, Training and Funding from Corporations. (Months 0 to 18.) Securing corporate involvement will be the most difficult and time consuming task. It will occupy more of Ms. Paulson's time than any other activity. We will begin contact with corporations, the National Alliance of Business and many other groups immediately -- and carry on until the very end of the eighteen months. Our contacts will be based on personal networking, beginning with calls from our Board members to corporations and business groups judged to have a potential ability and willingness to participate. Written and in-person presentations will be carefully planned and transacted by Ms. Paulson. They will be refined as we move further into the project. As agreements are reached with some corporations and business alliances, we will seek to create a bandwagon effect in our approaches to other corporations and groups. The Eisenhower Foundation also will seek to leverage corporate job slots in cities where the Ford Foundation initiated Local Initiatives Support Corporation is engaging in neighborhood economic development. Our approach to corporations will emphasize mutual self-interest between

Tasks and Milestones

Tasks	Months																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1) Seek job slots, training and funding from corporations.	-----																	
2) Assess existing written knowledge.	-----																	
3) Plan neighborhood organization workshop.	-----																	
4) Hold neighborhood organization workshop.	-----																	
5) Draft and revise demonstration design.	-----																	
6) Seek funding from foundations for demonstration and evaluation.	-----																	
7) Plan corporation/foundation/neighborhood organization workshop.	-----																	
8) Hold corporation/foundation/neighborhood organization workshop.	-----																	
9) Finalize demonstration design and program implementation plans.	-----																	
10) Design/pretest evaluation and secure funds for its implementation.	-----																	
11) Design/pretest Wolfgang interview schedule and secure funds for cohort follow-up.	-----																	

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corporations and neighborhood organizations. We will be flexible to incorporate interpretations of our proposals for how to provide primary or bridge employment and also decrease criminal and illegal market activities by those employed.

2. Assess Written Knowledge. (Months 0 to 6.)

Dr. Rodriguez will immediately review and integrate the literature, so that we can use it to help design our demonstration program as early as possible.

3. Plan Neighborhood Workshop. (Months 1 to 7.)

4. Hold Neighborhood Workshop. (Month 7.) Sister Isolina, Sister Fattah, Ms. Paulson and Dr. Rodriguez will agree on a list of participants, ask that each group prepare a brief paper beforehand on its successful experience in linking jobs to crime reduction and community regeneration (the Foundation will provide stipends for paper preparation), and plan the details of the Philadelphia workshop. The workshop participants will critique Dr. Rodriguez' written review (to be distributed beforehand), share their own experiences, and recommend the substance and design of the demonstration.

5. Draft and Revise Demonstration Design. (Months 7 to 15.) Consulting with Sister Isolina, Sister Fattah and their staffs, Ms. Paulson and Dr. Rodriguez will integrate

recommendations from the literature review and the workshop into a draft demonstration design. Specific models for minority youth employment/crime reduction will be spelled out. A specific time length for the entire demonstration will be determined. Feedback will be solicited from Dr. Wolfgang and his staff, Dr. Lenihan, corporations, business alliances, and neighborhood organizations. Revisions will be made.

A give-and-take process then will ensue during which the models are discussed with corporations interested in participating and compromises are negotiated. Here the Foundation will play its critical role as a mediating institution, with both staff and Board members involved in negotiating agreements. We also will match neighborhood organizations judged by the Foundation as capable of administering job slots and training with corporations willing to participate in specific locales. If necessary, we will brief corporations on the potential of such neighborhood organizations. We also will encourage the community groups to be flexible to the priorities of the corporations, within the boundaries of the proposal objectives to provide primary or bridge employment and also to reduce crime. For the most part, these will be individualized, one-on-one, transactions. We can envision neighborhood groups visiting corporate headquarters and corporate representatives visiting places like El Centro

and Umoja. On a smaller scale, such negotiations also will be carried out with local merchant associations and businesses other than large national corporations.

6. Seek Funding from Foundations and Individual Philanthropists for the Demonstration and its Evaluation.

(Months 9 to 18.) Early on during this interval of time, we will have proceeded far enough with integrating recommendations and securing at least tentative commitments from corporations so that we can prepare and submit proposals to foundations and individual philanthropists for funding job slots and training. Public sources of funding also may be sought and hence public-private partnerships, depending on the availability of public resources.

It is at this time that the mediating and bargaining on various options will be most pronounced. For example, if a foundation has an interest, will it want to solely fund a specific job model and neighborhood organization? Will it be interested only if we can match the resources of other foundations? Will a corporate partnership in a specific place be a sine qua non for a foundation's involvement? Conversely, will some corporations only find our models attractive if corporate job slots are matched, say, by foundation training and human support funding? Might a given foundation be

especially interested in working in a specific local neighborhood organization? Will this give a corporation in that community the incentive and confidence to join the partnership? There are countless varieties to the leveraging process. Ms. Paulson and Dr. Rodriguez will supervise it and write the proposals, working on a one-on-one basis with foundations.

The proposals also will include funding for Eisenhower Foundation staff to coordinate and monitor the local programs over the demonstration period -- as well as to provide some technical assistance directly or through consultants.

7. Plan the Corporation/Foundation/Neighborhood Organization Workshop (Months 12 to 14).

8. Hold the Workshop. (Month 14.) Up to this point, the emphasis will be on individualized approaches to corporations, foundations and philanthropists tailored to their priorities. The second workshop will begin the process through which a coherent demonstration plan with a discrete number of models emerges. All the corporations, business groups, foundations, philanthropists and neighborhood organizations which have bought into the demonstration or made partial commitments will be invited. Intentions will be exchanged and final changes in the demonstration models transacted. Nuts and

bolts problems of practical implementation will be laid out, and the Eisenhower Foundation staff will work with the group in resolving them. The discussion and feedback may lead to further commitments, once the participants gain a full sense of who is involved, what will take place and where it will happen.

Corporations and foundations which have an interest but have not committed resources also will be invited, with the hope that the workshop will lead to positive decisions by them. To bring national attention to the project and further build momentum, the workshop will be held in Washington, D.C., and, if possible, conducted during that year's Eisenhower Violence Prevention and Public Policy Week (which is part of our separate Information Clearinghouse proposal).

9. Finalize the Demonstration Design and Program Implementation Plans. (Months 14 to 18.) During the last four months of the proposal, Ms. Paulson and Dr. Rodriguez will carry out the recommendations of the Month 14 Workshop -- particularly the details of how, on a day-to-day basis, the demonstration will be implemented and administered. They will be assisted by Dr. Lenihan, Mr. McNeely, Sister Isolina, Sister Fattah -- along with the participating corporations, foundations, philanthropists and neighborhood organizations.

10. Design the Evaluation and Secure Funds for its Implementation. (Months 11 to 18.) Dr. Lavrakas and his colleagues at Northwestern will draft an evaluation plan as soon as the design of and funding for the actual demonstration have emerged with reasonable clarity. Proposals to fund the evaluation will be submitted to foundations (and possibly public sector sources), with the understanding that later demonstration refinements will produce later evaluation plan refinements.

11. Design the Wolfgang Cohort Study Schedule and Secure Funds for its Implementation. (Months 7 to 18.) After the literature review and the initial neighborhood workshop, we will have the information needed to write the cohort study plan, and then seek funding for it from foundations (and possibly public sector sources).

Conclusion

By the end of the eighteen-month period for which funds presently are being requested, we therefore will be ready to finance and operationalize the demonstration, the evaluation and the Wolfgang cohort study through a unique consortium of corporations, business groups, foundations, individual philanthropists, neighborhood organizations and research institutions -- among which the Eisenhower Foundation will continue to mediate as it coordinates and monitors local program administration.

Ultimately, we will provide practical, workable programs to increase minority youth employment with upward mobility and reduce crime for whatever consortia are interested in implementing them.

Figure 3

Budget

	<u>First Twelve Months</u>	<u>Last Six Months</u>
<u>Eisenhower Foundation Salaries</u> (10% cost of living increase during last six months)		
Paulson	\$ 36,000 (100% time)	\$ 19,900 (100% time)
Rodriguez	23,800 (70% time)	13,090 (70% time)
Secretary	15,700 (100% time)	8,635 (100% time)
<u>Total Salaries</u>	<u>\$ 75,500</u>	<u>\$ 41,525</u>
<u>Eisenhower Foundation Fringe Benefits</u> (15% of total salaries)	<u>\$ 11,325</u>	<u>\$ 6,229</u>
<u>Eisenhower Foundation Overhead</u> (30% of salaries and fringes)	<u>\$ 26,048</u>	<u>\$ 14,326</u>
<u>Eisenhower Foundation Travel</u> (Mainly air fares and per diem for Paulson to negotiate job slots and funding with corporations, business associations, and foundations)	<u>\$ 8,000</u>	<u>\$ 4,000</u>
<u>Eisenhower Foundation Suppliers</u>	<u>\$ 500</u>	<u>\$ 250</u>
<u>Eisenhower Foundation Communication</u>	<u>\$ 3,000</u>	<u>\$ 1,500</u>
<u>Eisenhower Foundation Reproduction</u>	<u>\$ 2,000</u>	<u>\$ 1,000</u>
<u>Eisenhower Foundation Workshop Costs</u> (Mainly travel and per diem for neighborhood leaders other than those from El Centro and Umoja. Plus hotel rental space)	<u>\$ 7,000</u>	<u>\$ 7,000</u>

Technical Assistance

<u>El Centro</u> (Development and implementation of program design -- and co-management of Workshops by Sister Isolina and her associates. Includes travel to Philadelphia and Washington, D.C. Workshops)	\$ <u>8,000</u>	\$ <u>4,000</u>
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<u>House of Umoja</u> (Development and implementation of program design -- and co-management of workshops by Sister Fattah and her associates. Includes travel to Washington, D.C. Workshop)	\$ <u>6,000</u>	\$ <u>3,000</u>
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<u>Other Neighborhood Organizations</u> (As identified by Sister Isolina and Sister Fattah -- development and implementation of program design)	\$ <u>3,000</u>	\$ <u>1,000</u>
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<u>Kenneth Lenihan</u> (Consultation on design of program and its evaluation)	\$ <u>2,000</u>	\$ <u>1,000</u>
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<u>Joseph McNeely</u> (Consultation on neighborhood organization management of job programs)	<u>0</u>	\$ <u>10,000</u>
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<u>Total Technical Assistance</u>	\$ <u>19,000</u>	\$ <u>19,000</u>
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<u>Northwestern University</u> Evaluation Design Subcontract	\$ <u>5,000</u>	\$ <u>5,000</u>
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<u>University of Pennsylvania</u> Wolfgang Cohort Study Subcontract	\$ <u>12,000</u>	\$ <u>3,000</u>
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TOTAL, ALL COSTS	\$ <u>169,373</u>	\$ <u>102,830</u>
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EIGHTEEN MONTH TOTAL		\$ <u>272,203</u>
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Footnotes

- 1.) Wolfgang, et al. (1972).
- 2.) Woodson (1981: 94-95)
- 3.) Woodson (1981: 56-57)
- 4.) Woodson (1981: 80-81)
- 5.) Woodson (1981: 80-81)
- 6.) Woodson (1981: 80)

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APPENDIX 1

The Insurance Industry's Pledge to
the President on Minority Youth Employment

THE NEW YORK TIMES, SUNDAY, OCTOBER 4, 1981

INSURERS PROMISE TO HELP JOBLESS

100 Executives Send Reagan a
Letter Directed at Problem
Among Minority Youths

By KATHLEEN TELTSCH
Special to The New York Times

Leaders of more than 100 insurance companies have promised President Reagan that as a "public responsibility" they will direct a share of their resources nationwide toward grappling with unemployment, particularly among minority youths.

The pledge was made in a letter to the President sent Friday in the name of executives who held a two-day private meeting in Chicago last week to formulate the industry's role in community responsibility for the 1980's.

The move is certain to be regarded within the business world as a significant commitment because of the influence and wealth of the industry, which controls \$500 billion in assets, employs a million people and for more than a decade has been heavily involved in investing funds and lending executive personnel for programs in the inner cities.

A 1987 Commitment

Many of the same companies, after the 1967 racial riots in cities around the country, committed themselves to investing \$1 billion to help rebuild the stricken cities and another \$1 billion later for creating jobs, housing and economic development.

The message to the White House underscored the company leaders' appreciation of the President's statements advocating that Government, business and communities work more closely together to meet local needs. It went on to say that there were many competing needs, such as education and urban reconstruction, but that the predicament of unemployment, particularly among minority youths, "reaches out to us for priority attention."

The insurance executives did not specify how they expected to tackle the job issue. But individual companies have agreed to assess what they are doing locally to create jobs, train youths and work together with community groups on unemployment, and a committee from the group plans to meet again later this month to follow up the initiative.

The Chicago session was not called in response to Mr. Reagan's overtures to private enterprise to assume a larger share of the cost and responsibility for community services being curtailed in the Administration's new budget. Nevertheless, participants agreed that the challenge from the White House became a dominant theme at their session, which was planned months ago to commemorate the 10th anniversary of a meeting at which officers of 100 health and life insurance companies agreed to work together on improving the quality of life in poorer communities.

They also set up at that time a Clearing House on Corporate Social Responsibility in Washington, headed by Stanley G. Karson, to which member companies report routinely.

In contrast to their \$2 billion commitment in 1967, the executives shied away from a specific figure. Robert A. Beck, chairman of the Prudential Insurance Company of America, proposed setting a goal of investing \$5 billion over the next five years, but others were reluctant to make such a pledge, which would be shared on a pro-rated basis.

No 'Rockets' for Success

Prudential is the country's largest insurance company, but those at the meeting included both the giants of the industry and enterprises of middle and small size. Some were said to be uneasy because of cash-flow problems.

While there was support for a target, a number of participants objected to creating the impression that money alone could resolve community problems. Others argued for freedom for individual companies to choose how to make their contributions.

According to Richard R. Shinn, chairman of the Metropolitan Life Insurance Company, as companies approach the question of jobs for minority youths, there will have to be close collaboration. The work will not be dramatic, and there will be no "rockets going off to signify success," he cautioned, adding that member companies, including his own, were already working to place young

workers and would be carefully reviewing the merits of those efforts.

The industry's effort in the 1960's to help create jobs as part of its broad program in depressed urban areas was a "mixed success," according to Walter B. Gerkin, chairman of Pacific Mutual and co-chairman of the Chicago meeting. Mr. Gerkin addressed the letter to President Reagan.

"Not everyone was totally convinced of its value," he said. "If we fell a little short of expectations, our investments did have a meaningful impact in the cities — 118,000 new housing units and 40,000 to 50,000 jobs, along with a number of nursing homes, parks, day care centers and other developments."

Feasible and Pragmatic

"We also learned," he continued, "an important lesson from the urban investment program: to keep our goals feasible and flexible and to base them on a pragmatic appreciation of corporate resources, including but not limited to investments, in order to avoid raising pie-in-the-sky expectations either within our own ranks or in the public mind."

In panel discussions, a number of participants enthusiastically endorsed the fiscal aims of the Reagan Administration. Ian Rolland, president of Lincoln National Life Insurance Company, said company leaders had recognized the need for drastic steps against inflation and welcomed the elimination of cumbersome regulations.

John H. Filer, chairman of the Aetna Life & Casualty Company of Hartford, Conn., said he disliked the term "social responsibility" because it smacked of "do-goodism."

"My bottom line," Mr. Filer said, "is really do these things because we have a stake in the long-term health of society."

APPENDIX 2

The Center for Orientation
and Services

Charles E. Silberman

CRIMINAL
VIOLENCE,
CRIMINAL
JUSTICE



RANDOM HOUSE

New York

The best example of community regeneration I found anywhere in the United States is the Centro de Orientación y Servicios (Center for Orientation and Services, or C.O.S.), a "delinquency prevention" project in Puerto Rico. Situated in La Playa, the most impoverished section of Ponce, the island's second largest city, the Center is technically a Youth Service Bureau whose nominal function is to divert youngsters from juvenile court. That goal has been achieved; the number of adjudicated delinquents has been reduced by about

85 percent since 1970. But El Centro, as almost everyone in La Playa refers to it, is far more than a juvenile court diversion project. It has originated several programs for adults as well as juveniles—programs that are reshaping the tone and fabric of the entire community; in the process, the delinquency rate has been cut in half, despite an exploding teenage population.

The premise of Sister Isolina Ferre, the Center's founder and director, was that the most effective way to change juvenile behavior is to change adult behavior—and that the most effective way to change adult behavior is to create a structure that enables people to assume roles that require responsibility in and to their own community. For in the last analysis it is the disorganization of the community at large—the evidence on all sides that their parents are unable to control their own lives, unable to impose sanctions on people who threaten their own or their community's well-being—that persuades the young that the cards are hopelessly stacked against them, that fate (or the omnipotent and omnipresent "they") will not permit them to "make it" in any legitimate form, thereby allowing crime to seem a rewarding alternative.

When the project began, fatalism and disorganization were the dominant characteristics of the area—the kind of hopelessness and fatalism that springs from generations of grinding poverty. La Playa residents saw themselves as powerless victims, as indeed they were; but the definition they gave to their situation helped perpetuate it. Two-thirds to three-quarters of its 16,000 residents lived below the poverty line, many of them in lean-to shacks made of castoff wood and metal; the 1970 Census found that 91 percent of all housing units lacked some or all plumbing facilities. (A new public housing project has increased the population to 20,000.) The unemployment rate was (and still is) catastrophic—on the order of 30 percent—with a significant proportion of those who are employed able to find only casual or part-time work. Education is scanty; according to the 1970 Census, only 13 percent of the adults had finished high school, and 7 percent had had no schooling at all. Children begin dropping out of school in the third grade, and school-leaving reaches a peak in seventh grade.

Hopelessness was compounded by the barriers that separate La Playa from the rest of Ponce. The area is physically cut off from the rest of the city by a six-lane highway on one side, a series of small rivers and canals on another, and the harbor on a third. The cultural and psychological barriers have been even harder to cross. When

it was an active port. La Playa had a thriving red-light district to service the sailors passing through; its longshoremen had a reputation for violence, drunkenness, and gambling, and its women a reputation for promiscuity. This notoriety still lingers. To grow up in La Playa is to carry a life-long stigma; anyone from the area, even someone who has "made it" and moved away, is known as a *Playero*, in contradistinction to the *Ponceñas* who inhabit the rest of Ponce. In short, if any community could be said to contain a self-perpetuating "culture of poverty," it was La Playa.

No longer; the seeds of change have been laid. Not that La Playa has become a middle-class enclave; grinding poverty is still the norm—Puerto Rico is a depressed, as well as underdeveloped, area—and it is difficult to abandon cultural traits that help people adjust to poverty. But the area has a different tone and "feel" than it had ten years ago.

Although the Center was organized in 1968-69 and the Youth Service Bureau in 1970, the roots go back to the creation in 1950 of the *Dispensario San Antonio*, a small clinic operated by the Catholic Missionary Sisters of the Most Blessed Trinity. The gift of Don Antonio Ferre, Sister Isolina's father and the founder of Ferre Industries,* the *Dispensario* began as a classic act of noblesse oblige, with a doctor coming to visit two mornings a week. Even so, the *Dispensario* gradually became an important institution in La Playa. Living in the same building that housed the clinic, a building larger but no more grand than others in the area, the Sisters were present twenty-four hours a day, seven days a week. For all its limitations, the *Dispensario* developed into a place where local residents felt *en su casa* (at home), for it was virtually the only source of refuge, comfort, and help to troubled individuals.

In 1968, Sister Isolina Ferre returned to Ponce to become Director of the *Dispensario*; she brought a radically different perspective with her, and neither the *Dispensario* nor La Playa (nor Ponce itself) will be the same again. That perspective had been forged over years of work in impoverished communities—in Appalachia, in the mountains of Puerto Rico, in Cape Cod (with migrant workers), and, for the preceding ten years, in a black and Puerto Rican

* The Ferre family is one of the most prominent in Puerto Rico; Sister Isolina's brother, Don Luis Ferre, was Governor of Puerto Rico when the project began. (Don Luis has donated a large art museum to the city of Ponce, and family members also have been major benefactors of Catholic University in Ponce.)

section of Brooklyn, where she became deeply involved in community organization and urban politics while earning a master's degree in sociology at Fordham University. When Sister Isolina arrived in La Playa, she found that the Dispensario was providing health care to ten children a day. "That seemed a little silly," she says bluntly. "There were hundreds of kids in the streets, some of whom never went to school at all. And those who did go had only a half-day program, so they were on the streets the rest of the day." It seemed unlikely that youngsters with nothing to do all day would stay out of trouble; with 10 percent of Ponce's population, La Playa accounted for nearly 20 percent of its juvenile crime.

Although it was the plight of the children that troubled her the most, Sister Isolina rejected a narrow concern with delinquency in favor of a focus on the community as a whole. The overall, long-range goal, she decided, should be to build individual and community competence, so that *Playeros* could begin to take control of their own lives. At the same time, Sister Isolina understood that she could accomplish little if she simply imposed a project of her own design on the community; she would have to engage adult *Playeros* in ways that had meaning for *them*. From the beginning, therefore, she walked the streets and alleys of the twenty barrios, getting to know *Playeros* on a personal level and listening to the ways in which they defined their problems and needs.

This is how any successful community organizer begins; but creating personal relationships with people and learning how they viewed their own reality was essential in La Playa because of the importance Puerto Ricans attach to a quality they call *personalismo*—a conception of the world as consisting primarily of a network of personal relationships. No community organization can succeed unless people conceive of it as belonging to them. In Puerto Rico, as in most Latin countries, "belonging" is thought of in terms of personal relationships, rather than power and control; whereas the mainland asks, "Do I control the people who run the organization?" the Puerto Rican asks, "Do I *know* the people who run it, and do I have a personal relationship that ensures that my welfare will be served?" These are radically different world views, and they lead to profoundly different conceptions of the nature and source of power. To the Puerto Rican, power is derived from, and exercised through, personal relationships rather than through formal organization, and preserving those relationships takes precedence over achieving organizational goals. As a result, mainland Americans

often see Puerto Ricans as inefficient, while Puerto Ricans regard mainlanders as cold and impersonal.¹⁰

Adapting mainland styles of community organization to Puerto Rican culture made it possible for Sister Isolina to convert what might have been a liability into a major asset. El Centro's programs could not have had such impact without her ability to use the Ferre family's network of relationships with governmental and business leaders to attract public and private resources for job training, compensatory education, recreation, medical care, social service, and court diversion programs. But that same ability might have destroyed everything Sister Isolina was trying to do. Had she played Lady Bountiful—had she merely brought outside funds and personnel into La Playa—she would have exacerbated the dependency that, after poverty itself, is the area's greatest curse.

She chose otherwise. What makes the Playa-Ponce project so significant, as well as so successful, is that it is providing help in ways that reduce dependency and enhance dignity and self-respect. The central mechanism has been the creation of a corps of ten full-time, paid "advocates"—local residents trained to look out for, protect, represent, and help youngsters in trouble with the law, other governmental agencies, or the community itself. Some of the advocates are ex-addicts or ex-offenders, and many never went beyond the seventh grade. They are selected for their knowledge of the community and their leadership potential, which is considerable; at the time of my first visit, the chief advocate was a man who had started as the Center's janitor—a job he had held while on parole as a drug offender.

Under the original project design, developed with the help of Sister Isolina's former teachers, Father Joseph Fitzpatrick and Dr. John Martin of the Fordham University Institute for Social Research, the advocates were to become aggressive champions of community youth. Their major role was to be to pressure public-service bureaucracies to become more responsive to the needs and interests of the juvenile delinquents they were representing, and, through them, to the needs of Playero youth as a whole.

That design was modified from the start; advocacy in the aggressive, mainland sense was not suited to the Puerto Rican temperament, which shrinks from confrontation. In addition to *carino*, the care and concern that binds people together in a *personalismo* network, the cardinal virtues of Puerto Rican culture are *dignidad* (dignity) and *respeto* (respect). To be aggressive toward another

is to show *falta de respeto*, a lack of respect which violates that person's *dignidad*; one is expected to settle disputes *a la buena* (in a nice way), in accordance with the axiom that "courtesy does not imply lack of valor."^{*11}

The advocates (*intercesores*) were therefore temperamentally unable to play the assertive, adversarial role envisioned for them. Nor was a more limited, mediating role available; the professionals in the agencies with whom the advocates were expected to deal followed the traditional rule that professionals talk only to one another. Hence the project's own professionals took over most of the interagency relationships that the advocates had been expected to handle.

Instead of trying to achieve the original goals, the advocates accommodated their role to what could be done; the constraints on their activities pushed them in unexpected, and in some ways more productive, directions. Rejected by the professionals, who communicated their conviction that local residents could be chauffeurs and aides but nothing more, the advocates turned inward toward their own community. They began to bring children's medical problems to the attention of their parents and to put the whole family in touch with the clinic operated by the *Dispensario*; they helped organize and lead recreation programs and community outings, urged residents to attend meetings and participate in community programs, and in general became mediators between the Center and the community, linking people with problems to those able to provide help.

One important by-product was a redefinition of the advocates' clientele. Initially, the advocates worked only with youngsters referred by the juvenile court. But since they were doing relatively little advocacy, they began picking up "cases" on their own—youngsters who needed, or could benefit from, the services provided by *El Centro* or by the advocates themselves. Sister Isolina promptly recognized the enormous advantage of this ad hoc arrangement and turned it into formal policy. By including youngsters who have *not* been in trouble with the law—such youngsters often comprise a

* When they try to capture the essence of the national character or temperament, Puerto Ricans use the term *la pelea monga* (literally, "the limp cock")—a term drawn from the popular national sport of cockfighting. *La pelea monga* is the cock who wins by constantly retreating until it exhausts the aggressor to such an extent that it can quickly come in for the kill.

majority of the advocates' caseloads—the Center has avoided the stigmatization that otherwise would have been attached to involvement in the program. Thus the Youth Service Bureau is perceived as serving the entire community. (The Center's education and recreation programs have been open to all community youths from the start; during the summer, when children are out of school, virtually the entire juvenile population is involved in one or another C.O.S. program.)

As the advocates turned inward toward the community, they began to be assigned to a specific barrio or group of barrios, rather than to a caseload of individual youngsters who might live anywhere in La Playa. This made it easier for advocates to use their existing networks of personal relationships and encouraged them to broaden those networks—to increase their identification with the communities in which they worked, and vice versa.

At the same time, the advocates learned how to do things *with* people instead of *for* them. One of the turning points occurred when an advocate came to Sister Isolina to report that, in his barrio of La Boca, a water spigot—the only source of water for several dozen families—had been shut off by municipal officials. A single phone call from Sister Isolina undoubtedly would have gotten the water turned back on, but it also would have perpetuated the residents' dependency. Instead of making the call, she asked the project's community organizer to work with the advocate in mobilizing La Boca residents; together, they organized a campaign to restore water service. After a mass meeting and a series of letters and petitions to the Public Works Department, the spigot was turned back on. It was a small matter to the department, but a major achievement for La Boca residents; acting for the first time in their own behalf, they discovered that they could affect change.

The lesson was applied (and learned) again. In making their rounds in Barrio Palmita, advocates heard adults complaining that teenagers were keeping them awake at night by engaging in raucous hooliganism. The teenagers, on the other hand, complained that there was nothing else for them to do; from their perspective, they were not causing any real harm. The advocates organized a public meeting, at which the barrio elders acknowledged that the absence of recreational facilities contributed to the hooliganism; the teenagers suggested that a basketball court might channel their energies in a more constructive direction. Since the barrio contained a piece

of vacant land that could be turned into a basketball court, the advocates turned to the community organizer for help.

"I knew that a few phone calls to the Kiwanis and Rotary Club might have produced the money for the court," Antonio Justiniano, the community organizer, later recalled, "but our real goal was to get the members of the barrio to realize that they had the means to help themselves." Whereas the Palmita residents saw the basketball court as an end in itself, Justiniano saw it as a means to a larger end; he suggested that the advocates help the residents raise the money themselves. It was considered an outlandish proposal, but Justiniano persuaded the advocates to give it a try. He helped them muster up a steel band, which, with a sound truck belonging to the Center, went from block to block, playing music and putting on improvised skits; teenagers circulated with coin boxes, collecting contributions of nickels and dimes. Huge posters were painted and placed all over Ponce to publicize the campaign, leading to a radio marathon that brought in additional contributions. Playero housewives organized "friendship lunches," inviting workers from nearby factories and charging \$2 for the meals they cooked themselves. Over the course of the summer, residents raised some \$700, a remarkable achievement for a poverty-stricken barrio that had never taken joint action of any sort.

Having created a formal organization to handle the money, residents then appointed a committee to call upon executives of the National Packing Company, a tuna-packing plant located in the barrio, with a request for additional help. An engineer retained by El Centro had estimated the cost of materials at \$1,500, and the company agreed to donate whatever was needed over and above what the community raised. Another committee approached the Parks and Recreation Department and secured a promise that the labor to build the court would be provided by the department.

Since then, the advocates have become increasingly involved in community organization, to the point where it is hard to know where their work ends and that of the community organizer begins. For the most part, projects have been modest; rapid and tangible results are needed to persuade poor people that they can change some of the circumstances of their lives.¹² However modest the accomplishments may seem from the outside, they have been significant in the lives of the people involved: installation of a pay telephone in a barrio with no phone service at all; a paved street in another barrio, so

that garbage could be removed via city garbage trucks; swamp drainage; persuading a previously unresponsive bus company to change to a route more convenient for La Playa residents; getting the police to crack down on organized prostitution in one barrio where young girls were being actively recruited. Each victory chips away at the tradition of impotence and dependency and develops a sense of individual and community competence.

No one has changed as much as the advocates themselves. Several of the advocates told me in 1974 that none of them were the same people they had been three or four years before. They had lost their "shyness," they explained, and had gained the self-confidence needed to make decisions, as well as to represent the youngsters in their caseload and, indeed, the entire barrios to which they are assigned. The change was made possible by the compelling force of Sister Isolina's faith in their capacity to change, together with the support she and other members of the professional staff provided. Change was nurtured, too, by the continuous training the advocates have received. But the most important source of change has been the sense of competence that derives from solid achievement.

Their growing self-confidence has enabled the advocates to assume the role initially envisioned for them; they now feel able to take the initiative in interceding with governmental agencies on behalf of youngsters with one or another problem, and they have become sophisticated in dealing with some of the same professionals who used to shun them. In one more or less representative incident, a recently returned Nuyorican (a Puerto Rican born and raised in New York) got into a fracas in a local school. In the breezy manner of a Nuyorican, he had simply walked into the school to visit his girl friend, not realizing that Puerto Rican schools are exceptionally formal institutions that refuse to permit any nonstudent or non-teacher to enter without prior arrangement. The volatile young man got into an argument with the policeman stationed in the school, who called for reinforcements. An advocate happened to be passing by when the police car arrived, and he stopped to investigate; upon learning what had happened, he persuaded the policeman, whom he knew, to release the Nuyorican in his custody, promising to bring the young man to the police station later, after he had cooled off. Since it was the principal who wanted to press charges (the policeman was willing to forget about the incident once he had calmed down), the advocate negotiated with the principal until he, too,

agreed to forget the matter, thereby obviating the need to bring the boy to the police station.

But the advocate would not leave it at that. He persuaded the unemployed youth to enter one of the vocational training programs operated by the Center and referred him to a Center counselor, for help in learning to put some internal restraints on his temper; at last contact, the boy held a steady job. "I managed to convince the kid that we were willing to accept him, but that we could not accept his antisocial behavior," the advocate told me by way of explaining his success.

Experiences of this sort have been commonplace. A significant by-product has been a widespread strengthening of family life. Parents who in the past had called the police or the juvenile court because they knew no other way of controlling their children began turning to the advocates instead. With the advocates' help, these parents have gained some understanding of their children's behavior and have learned more effective ways of responding to it; and the children, in turn, have had their energies directed in more productive channels.

After an initial period of suspicion mixed with hostility, the police also have come to rely more and more on the advocates. La Playa policemen now bring juveniles to the barrio advocate, instead of making an arrest, unless the youngster's offense is particularly serious; and when the police are called to settle a domestic dispute or put down some sort of disorder, they are likely to contact the barrio advocate and ask him to meet them at the location to which they have been called. As a result, several advocates now have police "hot lines" installed in their homes, so that they can be notified instantly of any after-hours trouble that may occur.

Much the same has happened in juvenile court, which was more sympathetic to the advocates from the start, perhaps because the judge sitting in juvenile court when the project began was himself a *Playero*. In any event, the judge and his successor discovered that the advocates knew far more about the juveniles brought to court, and provided far more (and far more accurate) information about their progress than the court's own probation officers. As time went on, the judges also discovered that the advocates were more effective than probation officers in changing juvenile behavior. As a result, the great majority of juveniles who get into trouble with the law are now diverted to the program before any formal proceedings

begin: in 1976, delinquency proceedings were filed against only 20 youngsters, compared to 144 in the year the program began.

Thus the advocates now play an almost bewildering variety of roles. At times, they are friendly mediators between child and parents, or between child and other adults. On other occasions, they play the role of parent or older sibling, standing up on behalf of a child about whom they care deeply and intervening on his behalf with teachers, principals, doctors, policemen, judges, probation officers, and any other person or institution that impinges on the youngster's life. But advocates also represent the community to its juvenile population, and the juveniles to the community. With their intimate knowledge of the barrios to which they are assigned, advocates are able to gauge when a youngster, or group of youngsters, is overstepping the limits of acceptable behavior; depending on the behavior and the community, they may intervene to put firmer controls on juvenile behavior, or to expand the limits of the community's tolerance for deviant behavior. (The sense of community had been so fragile in some barrios that any deviance, no matter how trivial, seemed to threaten the community's survival; almost anything an advocate does to strengthen community ties tends to alter the way in which people respond to misbehavior.)

Whatever role they play, the advocates operate within a network of personal relationships that link them on one side to barrio residents and on the other to El Centro and its staff. Under the tradition of *personalismo*, this means that when an advocate takes action on behalf of an individual or a barrio, it appears (and feels) to residents as though the Center itself were acting—that the advocacy role is being exercised not by an individual, but by the project as a whole. More important, the close relationship Playeros have with Sister Isolina and the Center staff, as well as with the advocates, makes it feel as though the advocacy role is being exercised by the community as a whole—that things are being done by and with people, instead of for them.* And people's perception that they are acting on their own behalf in turn helps develop the sense of competence they need in order to act; as one of the basic axioms of sociology puts it, what people perceive as real is real in its consequences.

* Virtually all the members of the Center's staff are Playeros, with a strong effort to have every barrio represented. Only 10 percent of the staff are professionals; several began as advocates and moved up to positions as counselors or social workers.

All elements of the program feed into this growing sense of competence. To bring educational, recreational, and social services closer to the people being served, four satellite centers have been created, each with its own governing board, in addition to the community board that oversees El Centro itself. The boards are beginning to raise money to contribute to each center's operating costs; to make their contributions appear more significant, the boards are raising money for a specific function—the center's phone bill, the cost of electricity used to illuminate the Palmita basketball court at night—rather than for the budget as a whole.

Sister Isolina has also used a new public health facility as a means of bringing the community together and expanding its capacity to manage its own affairs. When she learned that the Commonwealth government was planning to erect a building that, in her words, would have housed "a typical municipal clinic," she got in touch with officials of what was then the Office of Economic Opportunity. The result was a large federal grant that turned the clinic into a genuine community health facility—the Centro Diagnóstico y Tratamiento—with an annual budget of \$1.4 million in federal and Commonwealth funds. The Health Center is an independent nonprofit corporation run by its own board of directors, consisting of fifteen elected *Playeros* (twelve represent individual barrios and three are chosen at large) and six people designated by various agencies in La Playa; each member has one vote. Elections are vigorous affairs that heighten people's sense that the health center is *their* organization.*

There is a limit to what the Center, or any program of community development, can do. Ultimately, La Playa's fate is tied to that of the Puerto Rican economy; unless it grows rapidly enough to supply jobs for anyone who wants to work, poverty and unemployment will continue to be the fate of all too many *Playeros*. And the disabilities growing out of past generations of poverty are such that massive help is needed if *Playeros* are to be able to take advantage of new opportunities as they arise. In the last analysis, El Centro's greatest contribution has been its most subtle: it has given large

* When the Health Center came into being, board members were given a training course to provide them with the knowledge and skills they would need, and Sister Isolina served as president of the Board of Directors. "After a year or so," she recalls with delight, "they told me I didn't need to talk so much"—she had been feigning sore throats in order to encourage *Playeros* to talk at board meetings—and she stepped down as president.

numbers of people the sense of dignity and worth that enables them to accept help—to use help as a means toward self-sufficiency rather than dependency. For help now comes (or seems to come, which amounts to the same thing) as a result of their own efforts, rather than through charity. In the process, crime and delinquency have been reduced dramatically.

APPENDIX 3

The House of Umoja

PARADE May 4, 1980

Philadelphia, Pennsylvania's House of Umoja

One Family Conquers Gang War

The Fattahs of Philadelphia turn their home into a haven for street fighters—and bring new hope and meaning into hundreds of young men's lives

by Hank Whittemore

Police in many of the nation's cities are bracing for another summer of teenage gang wars. In the slum sections of Chicago, Los Angeles, Boston and other areas, there has been a recent surge of gang-related violence and death, with all signs pointing to more of the same this year.

Philadelphia, meanwhile, is virtually free of the stabbings and shootings that once earned the city its reputation as the youth-gang capital of America. The gangs still exist, but their constant warfare is over. Police authorities around the country are asking why.

The answer appears to have less to do with effective police tactics or government programs than with citizen action. In fact, the real lesson of Philadelphia begins with a single family. Incredible as it may sound, a father and mother and their six sons were primar-

ily responsible for the grassroots pressure that brought the bloodshed in their city to an end.

Their story begins in 1969, which had been dubbed "the year of the gun" in Philadelphia. Some 40 black teenage males in the city were then dying annually in the gang wars, and each year hundreds more were being maimed for life.

"We were killing each other off," recalls a former gang member. "There was so much gunfire going on that you'd be out on the streets duckin' bullets. I used to get up each morning and prepare myself for death."

The leader of West Philadelphia's Empire gang, Fat Rob, now 27, recalls being wounded six times within a single three-month period of fighting. "To me it was like Vietnam," he says, "only we wasn't gettin' paid."

As in other cities, Philadelphia's youth gangs were created for the purpose of defending territory. Out of self-protection, a young man had little choice but to become a member,

and then he was forced to join his comrades in defending their "turf" against rivals from other neighborhoods.

The gangs—with names such as Empire, Moon, Valley, Suicide Squad and Zulu Nation—controlled separate sections of Philadelphia's sprawling slums. Some of the gangs were named after the "corners" where members congregated: 58th & Osage, 54th & Berk, and so forth. The young men were given nicknames such as Shotgun, Killer, Snake and Flash. In all, more than 5000 youngsters belonged to some 85 different gangs.

In West Philadelphia, David and Falaka Fattah lived in the midst of the violence with their six sons. David was studying business administration at Temple University, while Falaka, a former journalist, was on the staff of a new local magazine geared to the problems faced by blacks. Like other parents, they were concerned about the gang wars; but when they discov-

Philadelphia, Pennsylvania's House of Umoja



Stephen Skanes

Falaka and husband David in office, decorated with plaques for civic service.

ered that their oldest son had become a fringe member of the Clymer St. gang, they became so alarmed that they changed not only their career plans but their entire lives.

"We felt that the reason for the gangs was the destruction of the family," says Falaka, now known as Sister Fattah. "The kids were substituting the gang for their family."

Most of the gang members did, in fact, come from broken homes where supervision was loose or nonexistent. Within the gangs, they felt a sense of identity, security and structure for which they were willing to kill and possibly die.

"Our theory was that if the problem was the breakdown of families," Sister Fattah recalls, "then the solution was to rebuild one for them."

And so they responded with one of the boldest, most unorthodox moves ever made by a father and mother: they invited 15 tough, alienated members of the Clymer St. gang into their small, two-story row house on North Frazier St. If the young men would lay down their weapons and become part

of an "extended" family, the Fattahs would supervise them for a year.

"All we promised was to help them stay alive and out of jail," says Sister Fattah, now in her 40s, whose warm personality provided a motherly influence for the boys. "We said we'd treat them the same way we treated our own boys—no better and no worse."

The house on Frazier St. was in the territory of the Micron gang, so David Fattah, a "street-savvy" man, negotiated with its members until they agreed to let the home become a "safe haven" from the street battles.

When the 15 members of the Clymer St. gang warily moved in, all the furniture in the four-room house was removed to make way for mattresses.

David and Falaka began tutoring the young men in English, math and economics, and prepared them for court appearances and job interviews.

"After a year," Sister Fattah recalls, "we were all alive and no one went to jail, nor did any of the kids want to move back home." Moreover, as word

spread, members of other gangs began seeking sanctuary at the house.

Outside the Fattah family, however, gang-related violence continued to grow. It reached a high point in 1973 of 41 killings. To try to reverse the slaughter, the boys at the Frazier St. house began carrying their "summons to life" to other neighborhoods.

One such young man, nicknamed Spoon, went to his "corner" and pleaded with his former comrades to stop their fighting. In return, they called him a coward (the worst possible insult) and severely stabbed him in the back of his head. Later, in his hospital bed, Spoon got word that the gang was preparing for a large battle. His head still oozing, he signed himself out of the hospital and returned to the neighborhood.

"Come and talk to Sister Fattah," he urged them. "What's the use of killing each other? If we don't respect ourselves, who else is gonna?"

Moved as much by Spoon's courage as his words, the gang members eventually went to Frazier St. and made a pledge of peace.

The Fattah family's impact on the entire city began to be felt. In 1974, the family sponsored a "No Gang Warfare" campaign and held "gang conferences" resulting in peace pacts and the creation of a UN-type council to resolve problems by talking, not fighting.

"There was a community outcry," recalls Lt. Willie Williams, commander of Philadelphia's gang-control unit. "The turnaround came when neighborhood parents became involved. Mothers marched in the streets. That was effective because they knew the kids would not shoot their own mothers."

Gang-related deaths dropped to 32 in 1974, 15 in 1975, six in 1976 and only one in the past three-and-a-half years. "The turf wars are now almost gone," Lt. Williams reports.

With the help of business, church and civic groups, as well as their own fund-raising efforts, the Fattahs accommodated new arrivals by acquiring and repairing 21 rundown houses on the same block of Frazier St. To maintain their "integrity" as a family unit, David and Falaka never ac-

Philadelphia, Pennsylvania's House of Umoja

cepted more than 30 boys at a time. Yet to date, some 500 needy young men have lived there under their supervision.

From the beginning, the Fattahs were determined to instill pride in the boys by incorporating African names and concepts. Calling themselves the House of Umoja (Swahili for "unity"), they have placed strong emphasis on the African "extended family" concept by which all members lend each other support.

Another point emphasized by Sister Fattah is that the House does not isolate the boys from the community. On the contrary, there is strong guidance toward community service. The House now provides a wide variety of neighborhood programs for children, elderly citizens and local businesses.

Currently the House is raising \$1 million for permanent renovation of the Frazier St. buildings. Construction is set to begin later this spring for what will become the nation's first "Boys Town" in an urban setting—although it will remain "a family, not an institution," as Sister Fattah puts it.

Among those studying the House of Umoja is the American Enterprise Institute for Public Policy Research, a conservative-leaning "think tank." Robert L. Woodson, 42, formerly of the Fattahs' West Philadelphia neighborhood and now resident fellow at the Institute, believes the family's success "demonstrates the wisdom of supporting such grassroots efforts instead of attempting to impose solutions from the outside."

Could the House of Umoja be duplicated elsewhere? "It's possible," says Sister Fattah. "There are people like us in cities all over. But we have no manual. We're not a social agency. The House was started by a husband and wife and their six sons. It needs that blood family."

Most of the boys who have passed through the House have gone on to live productive lives. Sister Fattah warns, however, that even in Philadelphia the gangs have by no means disappeared. "They're still recruiting," she says, "because there are always new youngsters. The violence in the past was really just a cry for help: 'Look at me—I'm in trouble.' This new generation needs our support in terms of education and jobs. Somebody has got to respond to that stress. We've got to make the youth of this country a priority." ■

APPENDIX 4

The President's Speech on Private Sector
Initiatives to the National Alliance of Business

THE WHITE HOUSE

Office of the Press Secretary

FO. Immediate Release

October 5, 1981

REMARKS OF THE PRESIDENT
TO THE
NATIONAL ALLIANCE OF BUSINESS

The Sheraton Washington Hotel

October 5, 1981

10:35 A.M. EDT

THE PRESIDENT: Thank you very much for a very warm welcome. Your organization is concerned with jobs. I heard of a fellow who had been unemployed for a long time and a few days ago he found a job at a china warehouse. He had only worked there a couple of days when he smashed a large oriental vase. The boss told him in no uncertain terms that the money would be deducted from his wages every week until the vase was paid for. And the fellow asked, "How much did it cost?" He told him \$300. And the fellow cheered and said, "At last, I've found steady work." (Laughter.)

Seriously, I'm aware that the National Alliance of Business was formed to reduce the despair of unemployment -- to provide opportunities where they would otherwise not exist. You've set for yourselves a noble and necessary goal. You know that a job at four dollars an hour is priceless in terms of the self-respect it can buy.

Many people today are economically trapped in Welfare. They'd like nothing better than to be out in the work-a-day world with the rest of us. Independence and self-sufficiency is what they want. They aren't lazy or unwilling to work. They just don't know how to free themselves from that Welfare security blanket.

After we undertook our Welfare reforms in California, I received a letter from a woman with several children who had been on Aid to Dependent Children. She wrote that she had become so dependent on the Welfare check that she even turned down offers of marriage. She just could not give up that security blanket that it represented. But she said that she'd always known that it couldn't go on -- couldn't last forever. So when our reforms began, she just assumed that the time had come and that somehow she would be off Welfare. So she took her children and the \$600 she had saved from here, as she put it, so-called "poverty" and went to Alaska where she had relatives and she was writing the letter now not to complain about our reforms but to tell me that she had a good job and that working now had given her a great deal of self-respect, for which she thanked me, and then one line that I'll never forget -- she said, "It sure beats daytime television." (Laughter.) Our economic program is designed for the very purpose of creating jobs. As I said on Labor Day, let us make our goal in this program very clear -- jobs, jobs, jobs, and more jobs. And what is more, our program will reduce inflation so the wages from these jobs will not decrease in earning power.

-2-

Part of that economic package also includes budget cuts. Now, some of these cuts will pinch which upsets those who believe the less fortunate deserve more than the basic subsistence which the governmental safety net programs provide. The fact is, I agree. More can be done. More should be done. But doing more doesn't mean to simply spend more. The size of the federal budget is not an appropriate barometer of social conscience or charitable concern.

Economic problems or not, isn't it time to take a fresh look at the way we provide social services? Not just because they cost so much and waste so much, but because too many of them just don't work.

Even if the federal government had all the money it wished to spend on social programs, would we still want to spend it the way we have in the past? In all my years as governor, and now as President, I have never found an agency, a program, a piece of legislation or a budget that was adequate to meet the total needs of human beings. Something is missing from such an equation. I believe that something is private initiative and community involvement -- the kind the NAB exemplifies.

There is a legitimate role for government, but we mustn't forget before the idea got around that government was the principal vehicle of social change. It was understood that the real source of our progress as a people was the private sector. The private sector still offers creative, less expensive, and more efficient alternatives to solving our social problems. Now, we're not advocating private initiatives and voluntary activities as a half-hearted replacement for budget cuts. We advocate them because they're right in their own regard. They're a part of what we can proudly call "the American personality."

The role of voluntarism and individual initiative has been misunderstood. Federal loan guarantees will not be restored by charity alone nor will we replace the Department of Health and Human Services. Voluntarism is a means of delivering social services more effectively and of preserving our individual freedoms. John F. Kennedy knew this when he said: "Only by doing the work ourselves, by giving generously out of our own pockets, can we hope in the long run to maintain the authority of the people over the state, to insure that the people remain the master, the state, the servant. Every time that we try to lift a problem from our own shoulders and shift that problem to the hands of the government, to the same extent we are sacrificing the liberties of the people."

There are hard-headed, no-nonsense measures by which the private sector can meet those needs of society that the government has not, cannot or will never be able to fill. Volunteer activities and philanthropy play a role as well as economic incentives and investment opportunities. To be certain we're talking about America's deep spirit of generosity, but we're also talking about a buck for business if it helps to solve our social ills.

With the same energy that Franklin Roosevelt sought government solutions to problems, we will seek private solutions. The challenge before us to find ways once again to unleash the independent spirit of the people and their communities. That energy will accomplish far, far more than government programs ever could. What federalism is to the public sector, voluntarism and private initiative are to the private sector. This country is bursting with ideas and creativity, but a government run by central decree has no way to respond.

Having been a governor, Franklin Roosevelt knew something of the dangers of over-centralization. In a message to the Congress, he wrote, "Continued dependence upon relief (it hadn't yet been given the name welfare) induces a spiritual and moral disintegration fundamentally destructive to the national fibre. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit ... The federal government must and shall quit this business of relief."

What exactly is voluntarism? I guess Gary Cooper did about the best job describing it in the movie "Mr. Deeds Goes to Town."

"From what I can see," he said, "no matter what system of government we have, there will always be leaders and always be followers. It's like the road out in front of my house. It's on a steep hill. And every day I watch the cars climbing up. Some go lickyety-split up that hill on high -- some have to shift into second -- and some sputter and shake and slip back to the bottom again. Some cars -- same gasoline -- yet some make it and some don't. And I say the fellow who can make the hill on high should stop once in a while and help those who can't."

Over our history, Americans have always extended their hands in gestures of assistance. They helped build a neighbor's barn when it burned down, and then formed a volunteer fire department so it wouldn't burn down again. They harvested the next fellow's crop when he was injured or ill and they raised school funds at quilting bees and church socials. They took for granted that neighbor would care for neighbor.

When the City of Chicago was leveled by fire, urban renewal programs didn't exist; the people simply got together and rebuilt Chicago. The great French observer of America, de Tocqueville, wrote, "Whenever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association (of individuals)."

The association of Americans has done so much and is so rich in variety. Churches once looked after their own members and during the Depression the Mormon Church undertook its own welfare plan based on the work ethic -- a plan that is still successful today. With no disrespect intended one can't help but wonder if government welfare would exist at all, if our churches had at that same time -- all of them, picked up that task. Before World War I, the Rockefeller and Carnegie foundations together spent twice as much as the government for education and social services -- simply because there was a need. The National Foundation for Infantile Paralysis set out to conquer polio with dimes ... and did it. In a fitting symbol of America, our own Statue of Liberty was built with the nickels and dimes of French schoolchildren and the contributions of their parents.

We all know countless stories of individual and personal generosity. There was an incident in Los Angeles a couple of years ago involving a man named Jose Salcido whose wife had died of cancer, leaving him both father and mother of 13 children. In an accident only the Lord can explain, one day the brakes on his truck did not hold and he was crushed against a brick wall as he walked in front of the vehicle. The children who had lost their mother now had lost their father. But they were not orphaned by their neighbors or even complete strangers who immediately began collecting contributions. The parish church started a drive. Finally a fund was set up at the bank and a committee was formed of citizens to take care of it. They also discovered how kind the people of this land can be.

One letter accompanying a check said it all. "This is for the children of Jose Salcido. It is for them to know there are always others who care; that despite personal tragedy, the world is not always the dark place it seems to be; that their father would have wanted for them to go on with courage and strength, and still open hearts."

I know there are cynics who dismiss the notion of Americans helping other Americans. They say that I speak of an America that never was and never can be. They believe voluntarism is a mushy idea and the product of mushy thinking. They say that our society today is too complex or that we're trying to repeal the 20th century.

Well, the cynics who say these things have been so busy increasing Washington's power that they've lost sight of America. Have they forgotten the great national efforts before there ever was a thing called "foreign aid"? The American people organized to help Japan in the great earthquake, famine in India, banded for Britain. The spirit is not dead.

I wish the cynics would visit David and Falaka Fattah in Philadelphia. I don't know whether I pronounced their name right, but the Fattahs decided to put their hearts and minds into reducing the gang violence in West Philadelphia, which killed up to 40 persons a year in the early 1970s. They were instrumental in negotiating a city-wide peace treaty among gangs that reduced the number of deaths from 40 to about 1 a year.

This one couple did something that all the social welfare and law enforcement agencies together had been unable to accomplish. They replaced the gang structure with a family structure. They actually took a gang of 16 into their home. Their House of Umoja has helped more than 500 boys now develop into self-sufficient and productive young men. And today they are establishing what might be called an urban Boys Town.

I wish the doubters would visit Detroit where a few years ago hundreds of children awaiting adoption were in the foster care system. Potential black parents were judged by arbitrary income standards and not whether they could offer a warm, loving, secure family to a homeless child.

But a community group called Homes for Black Children challenged the adoption practices of the local agencies with astounding results. In its first year, Homes for Black Children placed more kids in permanent homes than all 13 of the traditional placement agencies combined. There is the DeBolt family in California that began adopting only children who were previously handicapped, at one time, 19 in their home.

I wish the cynics would call on New York City, the New York City Partnership, an association of 100 business and civic leaders, which this past summer found jobs for about 14,000 disadvantaged youths. The majority of whom would not have otherwise found jobs.

Talk to the Honeywell people who are training prison inmates in computer programming. Those inmates who reach an employable skill level before leaving prison have a recidivism rate of less than 3 percent, compared to a national rate estimated at 70 percent.

Or look at the marvelous work McDonald's is doing with its Ronald McDonald Houses. These are places, homes really, usually near children's hospitals where families can stay while their children are treated for serious diseases. Currently 28 homes are opened and another 32 are in some stage of development. Since the homes are funded mainly by the local McDonald operators and the staff is all volunteer, no tax money is spent.

The cynics should ask the Fattahs if the spirit is dead. They should ask the families who have been helped by the McDonald Houses and the Homes for Black Children if the spirit is dead. They should ask the disadvantaged New York youths who have summer jobs or the prison inmates who are developing skills for the outside world. Why can't the skeptics see the spirit is there where it has always been, inside individual Americans?

Individual Americans like Father Bruce Ritter. Father Ritter's Covenant House in the heart of Times Square offers youths who are runaway or exploited a sanctuary from the pressures of modern life and an escape from those who would prey on them. With the help of 200 part-time and 65 full-time volunteers, Father Ritter last year aided nearly 12,000 youths.

Perhaps the doubters should consider how empty and gray our society would be right now if there were no such thing as volunteer activity. Erma Bombeck, that witty woman who appears in our newspapers, once wrote a more sober article on what it would be like if the volunteers all set sail for another country. And if you don't mind, let me read a part of what she said:

"The hospital was quiet as I passed it. Rooms were void of books, flowers and voices. The children's wing held no clowns ... no laughter. The reception desk was vacant.

"The Home for the Aged was like a tomb. The blind listened for a voice that never came. The infirm were imprisoned by wheels on a chair that never moved. Food grew cold on trays that would never reach the mouths of the hungry.

"All the social agencies had closed their doors, unable to implement their programs of scouting, recreation, drug control, Big Sisters; Big Brothers, YW, YM, the retarded, the crippled, the lonely, and the abandoned.

"The health agencies had a sign in the window, 'Cures for cancer, muscular dystrophy, birth defects, multiple sclerosis, emphysema, sickle cell anemia, kidney disorders, heart diseases, have been cancelled due to lack of interest.'

"The schools were strangely quiet with no field trips, no volunteer aids on the playground or in the classroom ... as were the colleges where scholarships and financial support were no more.

"The flowers on church alters withered and died. Children in day nurseries lifted their arms but there was no one to hold them in love."

Her article told a very much unrecognized truth -- volunteer cuts would be much more disruptive to the nation than federal budget cuts. Because they are so important, this administration seeks to elevate voluntary action and private initiative to the recognition they deserve. We seek to increase their influence on our daily lives and their roles in meeting our social needs. For too long the American people have been told they are relieved of responsibility for helping their fellow man because government has taken over the job.

We seek to provide as much support for voluntarism without federalizing as possible. Today, I am announcing the creation of a Presidential Task Force on Private Sector Initiative, comprised of 35 leaders from corporations, foundations, and voluntary and religious organizations. Its purpose will be to promote private sector leadership and responsibility for solving public needs and to recommend ways of fostering greater public/private partnerships.

I have asked Bill Verity, the Chairman of Armco Steel, to chair the task force and act as my personal representative in expanding private sector initiatives and in recognizing outstanding examples of corporate and community efforts.

I'm instructing the Cabinet to review agency procedures and regulations and identify barriers to private sector involvement. We want to deregulate community service. For example, mothers and grandmothers have been taking care of children for thousands of years without special college training. Why is it that certain states prohibit anyone without a college degree in early childhood education from operating a day-care facility?

I'm also asking the Cabinet to develop pump priming and seed money programs that offer incentives for private sector investment. In addition, the Cabinet will provide technical knowledge to develop private incentives. Furthermore, existing programs will be examined to determine those which could be more productively carried out in the private sector.

Voluntarism is an essential part of our plan to give the government back to the people. I believe the people are anxious for this responsibility. I believe they want to be enlisted in this cause. We have an unprecedented opportunity in America in the days ahead to build on our past traditions and the raw resources within our people. We can show the world how to construct a social system more humane, more compassionate, and more effective in meeting its members needs than any ever known.

After I spoke of volunteerism several days ago, I received this mailgram. "At a breakfast this morning, 35 chief executive officers of the largest employers and financial institutions of San Antonio met and committed to: 1) support of you and your commitment of returning the responsibility of support of many worthy, previously federally funded programs to the local level; 2) committing themselves individually and corporately to do more in being a part of continuing or establishing that safety net of services each community needs; 3) as a first step, committing to achieving a minimum 20 percent increase in our local United Way campaign which represents 60 agencies included within that safety net. And finally, committing themselves that the programs supported are needed and efficiently and effectively administered. You have our support." And it was signed by Harold E. O'Kelley, Chairman of the Board and President of Datapoint Corporation, Tom Turner, Sr., Chairman of the Board and President of Sigmor Corporation, Dr. Robert V. West, Jr. Chairman of the Board of Tesoro Petroleum Corporation and H.B. Zachry, Sr., Chairman of the Board of the H.B. Zachry Company.

And just this weekend, I received a letter from the insurance industry promising to undertake new budget initiatives to reduce unemployment, especially among minority youths. The insurance companies plan to direct their financial resources which are in the hundreds of billions of dollars as we know to further this goal. They also plan to increase their dollar contributions to these programs affecting basic human needs.

The private sector can address the tough social problems of special concern to minority Americans and I believe that we will soon see a torrent of private initiatives that will astound the advocates of big government. The efforts of you at this conference also show what can be done when concerned people in businesses join in partnership with government. You are a model of future action and I'm calling upon you today to help in the cause to enlarge the social responsibility of our citizens. The spirit that built this country still dwells in our people. They want to help. We only need to ask them. All of us, and particularly we who are parents have worried about whether the youth of today have absorbed some of the traditions with which we are so indoctrinated. A few years ago in Newport Beach, California, there were some lovely beachfront homes that were threatened by an abnormally high tide and storm generated heavy surf -- in danger of being totally undermined and destroyed. And all through the day in the cold winter night, and it does get cold in California at night, sometimes in the daytime, the volunteers worked filling and piling sandbags in an effort to save these homes. Local TV stations, aware of the drama of the situation covered the struggle and went down there in the night to see what was happening and catch the damage being done and so forth.

And it was about 2:00 a.m. when one newscaster grabbed a young fellow in his teens, attired only in wet trunks, even at that hour. He'd been working all day and all that night -- one of several hundred of his age group. And in answer to the questions -- no, he didn't live in one of those homes they were trying to save. Yes, he was cold and tired. And the newscaster finally wanted to know, well, why was he and his friends doing this. And he stopped for a minute and then he answered and the answer was no poignant and tells us something so true about ourselves that it should be printed on a billboard. He said, "Well, I guess it's the first time we ever felt like we were needed."

Americans are needed. They're needed to keep this country true to tradition of voluntarism that has served us so well. And they're needed to keep America true to her values. In the days following World War II when a war ravaged world could have slipped back into the Dark Ages, Pope Pius XII said the American people have a genius for great and unselfish deeds. Into the hands of America God has placed an afflicted mankind. Let those words be true of us today. Let us go forth from this conference and say to the people: Join us in helping Americans help each other.

And I assure you, I'm not standing here passing this off to you as solely your task and the government will wash its hands of it. We intend a partnership in which we'll be working as hard as we can with you to bring this about. Thank you and God bless you. (Applause.)

11:00 A.M. EDT

HAWKINS: AUGUSTUS F. (HON.)
UNEMPLOYMENT & CRIME 2 h.p.

November 13, 1981

Honorable Augustus F. Hawkins
2371 Rayburn House Office Building
Washington, D.C. 20515

Dear Gus:

Thank you for participating in the joint hearings on the relationship between unemployment and crime. In my view, the policy implications of this relationship are numerous. Many of the witnesses we heard from during our two days of hearings suggested that we exercise caution in drawing conclusions from this relationship. We need, however, to carefully articulate a national employment policy during the current recession and I think that any such policy must take into account its effect on crime. I thought that you therefore might be interested in my thoughts about the hearings.

The testimony at the hearings convinced me that the relationship between unemployment and crime is more complex than I had assumed. The literature in this area has led me to conclude that there are both direct and indirect relationships between crime and unemployment. At the most elementary level, studies like those relied upon by Baltimore's Mayor Schaeffer, purport to show a strong casual relationship. However, most of the other witnesses pointed out that these studies do not tell us the strength of the relationship or whether crime rates would be materially reduced through changes in employment policies. Unfortunately, the studies showing the strongest relationship seem oversimplified. As a result, they tend to produce unrealistic expectations and unsatisfactory employment programs that fail to meet the needs of those seeking jobs. In fact, the inability of employment programs to meet these unrealistic goals has led some to suggest that we virtually abandon government employment programs and that we deter crime through increased reliance on punishment. As important as deterrence is as part of a crime policy, it cannot stand alone.

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Many of the hearing witnesses urged us to examine the relationship more carefully and narrowly, based on the types of offenses and offenders. Many studies of unemployment and crime fail to recognize that a variety of factors motivate or deter criminal conduct. Unemployment of the offender is only one such factor. In determining whether an individual will engage in criminal conduct, family status, living environment (including neighborhood) and educational status are also important. Only through this kind of examination can we hope to identify the employment strategies that are likely to be most effective.

We must also look at societal conditions such as the health of the economy and the labor market, how much an individual earns (both standing alone and in relation to the norm), and the quality of his or her job. As many witnesses suggested, employment programs should be developed only after a thorough review of these and other relevant factors.

Many of the Federally supported employment programs have had limited success in reducing the crime rate, for individuals in the programs or in the aggregate. Even so, I cannot conclude that we should abandon all such programs. As I have already mentioned, the crime reduction goals of some of the programs were unrealistic. For example, if the only goal of the Job Corps program was to reduce crime, it has not been 100% successful. Even though this program has achieved a high level of crime reduction, it has reached its prominence as a successful employment program because of its ability to return income to the government in the form of taxes from the increased future earnings of the participants. Thus, it is important to state clear and reasonable goals for employment programs that include both increased future earnings as well as crime reduction objectives.

Federally funded employment programs must be continued for another reason. Between 1969 and 1976, about two-thirds of all jobs created were in businesses with twenty or fewer employees. Frequently the type of jobs created by these employers are not of a kind to motivate individuals to stay crime free. In addition, these employers are often less willing to risk hiring unemployed, unskilled urban youth--the target of most employment programs. Finally, the recent tax cut legislation appears to provide greater benefits to larger employers than smaller ones. The latter will, therefore, find it more difficult to expand employment opportunities through large investments of capital.

For all these reasons, I believe that the Federal government has an essential role to play in developing new employment programs,

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and in continuing to fund programs with a proven record of effectiveness. Programs with good track records include the Job Corps, and, to a lesser extent, educational programs (such as the Department of Labor's Youth Entitlement Program), supported work programs (particularly those aimed at ex-addicts and AFDC recipients), summer youth programs, and certain income supplement programs for ex-offenders. We should support these programs, and where warranted, they should be expanded.

There are other programs, such as those that supplement the school related activities of 14- and 15-year-olds, that also merit our support. In addition, the use of stipend, similar to the program suggested by Mayor Schaeffer, may be useful for some teenagers as a crime deterrent. Instead of full-time employment that is appropriate for older workers, we might consider paying these youth a stipend for part-time employment.

Many of the witnesses stressed that the quality of the job made a material difference in the success of employment programs. For many adult workers the less responsible and interesting the position, the less success the program is likely to meet. Thus, to the extent that future government funded employment programs operate only to create temporary or "secondary market" jobs, they are likely to be less successful than if a more focused program of primary job development were pursued.

Employment programs should also target 19- and 20-year-olds as potential program participants. According to most studies, this group is disproportionately involved in certain types of property crime. Traditionally, the goal of employment programs for this group of youths has been to create permanent jobs. Recent research by Paul Osterman at Boston University and field work by the Vera Institute of Justice suggests that this strategy may not be appropriate given this age group's labor market behavior. These youth go through what is known as a work "moratorium"--that is, they change jobs frequently and alternate between unemployment and employment in low level jobs. The combination of barriers to employment, race discrimination, and relative lack of motivation to sacrifice to meet long-term goals all contribute to this phenomenon. In the past we have tried to create entry level jobs that offered a potential "career ladder". While the training programs of the Job Corps are an important and successful exception to this approach, this traditional strategy has often failed to recognize that these youths may find it difficult to commit themselves to employment at a particular job on a long-term basis. Programs aimed at this age group must also take into account the structure of the youth labor market.

In conclusion, let me again express my appreciation for the opportunity to hold these joint hearings. I hope that my thoughts will assist you in the work of your Subcommittee.

Sincerely,

William J. Hughes
Chairman
Subcommittee on Crime

WJH:dbh