

"Ending Welfare as We Know It": Another Exercise in Symbolic Politics

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Abstract

Americans are again concerned about welfare—Aid to Families with Dependent Children (AFDC)—and politicians are again proposing to reform the system. According to the author, at issue is not the cost of AFDC, but what the money is supposedly being spent for: to "reward" young women without educations or skills for bearing children out of wedlock; the subtext is that such women are inner-city, substance-abusing blacks spawning a criminal class. But this supposition is based on false notions of the welfare population, the author argues. AFDC recipients are a diverse group; most are working or trying to work, although the low skills and poor educations of many often preclude work as a reasonable option; and long-term welfare receipt is the exception, not the rule. The current reform proposals are doomed to fail since they are based on the same old misguided assumptions as to the causes of and cures for welfare dependency—reforming the recipient instead of improving the labor market. The author concludes that the current reform frenzy is another exercise in symbolic politics, affirming mainstream norms by stigmatizing the poor.

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Crime and welfare—the issues Americans are most concerned about—more than health care, the deficit, or millions facing threatened or actual unemployment. The politics of crime are framed in simplistic punishment and deterrence terms—the death penalty and "three strikes and you're out." Similar cures are proposed for welfare. The most prominent is time-limited welfare—"two years and you're out." Clinton's campaign promise—to "end welfare as we know it"—was redeemed on June 14th with the introduction of the Work and Responsibility Act of 1994 (WRA). There will be education and training, but after two years, the recipient must work, either in the private sector, or, under certain circumstances, in a subsidized public or private job. But there will be no more welfare. Welfare will be ended as "a way of life."

The Republicans, too, have introduced an even a tougher package of reforms. In the recent Contract with America, they reaffirmed their commitment to tough welfare reform. "The Personal Responsibility Act [will] [d]iscourage illegitimacy and teen pregnancy by prohibiting welfare to minor mothers and denying increases in AFDC for additional children while on welfare, cut spending for welfare programs, and enact a tough two-years-and-out provision with work requirements to promote individual responsibility." The Republicans propose to eliminate AFDC as an entitlement by capping the federal contribution—when the money runs out, there will be no more welfare.

In the meantime, during the Reagan, Bush, and now the Clinton administrations, many states have been granted waivers to reform welfare. In addition to time-limited welfare, two other popular reforms are the Family Cap—refusing to pay for children born to welfare mothers—and Learnfare—to require teens to attend school. In short, getting tough on welfare seems to be good politics.

Fear and concern about crime are understandable. But why welfare? Welfare is the Aid to Families with Dependent Children (AFDC) program. It is not a major factor in the public budget. In 1993, total AFDC expenditures were \$22.3 billion, half federal and half state. The really big programs

are Social Security Retirement and Disability (about \$419 billion), Medicare (\$143 billion), and Medicaid, (\$132 billion) (U.S. House of Representatives 1994, pp. 324–325).

It's not the amount of money that's being spent; it's what the money is spent for. The stereotypical welfare recipient, the image that fits the reform proposals, is a young woman, without education or skills, who bears lots of children to get more welfare, who is a long-term dependent and whose dependency is passed on from generation to generation. The subtext is that these women are inner-city substance-abusing Blacks spawning a criminal class.

The stereotype threatens both family values and the work ethic. Family values are straightforward—marriage, parental responsibility, and the socialization of children. The work ethic requires a brief explanation. Until about the 1960s, mothers were supposed to stay home and take care of their children. Poor women had no such luxury; they had to earn money, but were condemned for it. The original AFDC programs (1910–1920, called Aid to Dependent Children or Mothers' Pensions) were designed to allow poor single mothers to stay at home but only if they were otherwise "fit and proper." There was always strong opposition to AFDC, and from its earliest days the state programs were small and basically restricted to white widows. These were the "deserving" poor. The vast majority of other single mothers—divorced, deserted, unwed, and of color—were excluded. They and their children had to work like the rest of the undeserving poor.

Starting in the 1960s, for a variety of reasons, the states lost control of the AFDC gates and in-streamed those previously excluded, including large numbers of minorities. The basis of dependency changed from widowhood to predominantly unmarried. Welfare was now in crisis, and the first federal AFDC work program was enacted in 1967. Federal AFDC work requirements have continued to this day with the Family Support Act of 1988.

Liberals traditionally opposed the work requirements on the grounds that it was unfair to treat welfare mothers differently from nonwelfare mothers. Then the liberals changed, and now there is a

consensus on the work requirements. The change is justified because the norms have changed. Today, most nonwelfare mothers work; therefore, it is reasonable to expect welfare mothers to work.

There is more to the argument than just symmetry. There has been an increasing concern with responsibilities as well as entitlements. And there is a real concern about welfare children. It is claimed that because they are without proper role models—stable, employed adults—these children fail to acquire the values and skills necessary for successful adult life.

The work ethic and family values overlap and reinforce each other. According to the stereotype, welfare mothers have children to get welfare and remain on welfare, and their children repeat this pattern; in other words, welfare has become a way of life. To end this cycle, welfare mothers will be required to work and will be given some skills if they need them, but then welfare will end.

The assumptions behind the reform consensus are seriously misconceived. I make the following arguments: (1) the problem of family values is a problem of poverty, which is much broader and deeper than welfare; (2) because of the decline in real wages and the rise of contingent work, contrasting welfare with work is no longer a credible idea; families simply cannot live on either; (3) most welfare recipients are adults with small families who are either working or trying to work, and most exit welfare via work; the problem is not the work ethic; the problem is lack of decent jobs; (4) welfare work requirements have never even come close to meeting their objectives, and the current proposals will do no better; (5) what we are doing, as we have done in the past, is another exercise in symbolic politics designed to make us feel better by victim-blaming.

THE PROBLEM IS POVERTY

The concerns about family values are justified. Large numbers of children and youth are at high risk, but the problem is poverty, and this is much larger than welfare.¹ In 1993, the poverty line for a family of three was \$11,890, low by any reasonable standard. Most Americans, according to a Gallup poll, think that a family has to have about \$16,000 a year to get by (Vaughan 1993). If we take the official poverty line, then more than 35 million Americans live in poverty (U.S. House of Representatives 1993, p. 1307). Moreover, 14 million Americans have incomes of less than *one-half* the poverty line. The poverty line is an arbitrary cut-off; it excludes millions of people who, while technically above the line, still live on the margin. More than 30 million people, including 6 million full-time workers, are the "near poor"—at about 150 percent of the poverty line. These families barely have enough for the necessities that most of us take for granted (Hecl 1994, p. 420).

Whatever figures are used—the official poor or the near poor—the welfare population is considerably smaller. The present number of people on welfare is 13.6 million, which is only about a third of the poverty population.

Although causality is not well understood, poverty is the single most powerful predictor of the harmful behavioral consequences ascribed to welfare families—there is more stress, a higher incidence of child neglect and abuse, and the most severe injuries to children. Poor children are more likely to suffer from physical and mental health problems, do poorly at school, and compromise successful development by early sex, pregnancy, substance abuse, delinquency, and crime. Early school failure is one of the strongest predictors of adolescent problems, including violent behavior. When income is controlled, school dropout rates for whites, Blacks, and Latinos are roughly similar (National Research Council 1993, Chapters 2 and 6).

Most poor parents are not on welfare; they are working but not escaping poverty. Why is this happening, and what implications does this have for moving single mothers from welfare to work?

THE PROBLEM OF WORK

Two of the more significant reasons for poverty are the decline in family income and the rise of single-parent families. Between 1973 and 1990, the median income declined almost a third for families headed by parents under age 30. Most two-parent families have only been able to maintain their relative position by having both parents working (National Research Council 1993). Now, there is a growing trend for one of these two earners to have two jobs. Seven million Americans hold 15 million jobs. No other country approaches these numbers of multiple jobholders. The reason, according to Richard Freeman, is that wages from one job are sufficient in other countries.²

While two-parent households will not necessarily escape poverty—even in families with two wage earners, a fifth remain poor—at the same time, there has been a significant growth in single-parent households, mostly female-headed. Female-headed households represent about 10 percent of the population, but they account for more than a third of the poverty population and more than half of the increase in poverty since 1990 (U.S. House of Representatives 1993, p. 1308).

People are working, and working longer hours, but there is growing inequality. In 1989, 22.4 percent of poor working adults worked full-time, year-round, while 43.1 percent worked at least 50 weeks. The employment rates of low-income married women have increased. Almost half (48.3 percent) of poor single mothers work, as compared to 39.9 percent of married women with children. But the most important point is that earnings for all of these groups have fallen because of the decline in the real wages of less-skilled, less-educated workers. Moreover, this decline occurred during a period of economic expansion. The decline was especially pronounced for adults aged 24–35 with a high school diploma or less. The earnings of less-skilled women have remained flat; however, women dropouts earn only 58 percent of male dropouts (Bureau of National Affairs 1994, Chapter 3;

Blackburn, Bloom, and Freeman 1990; Blank 1994; Mishel and Frankel 1991; Haveman and Scholz 1994).

There are many reasons for the fall in earnings, but a significant one is the decline in the real value of the minimum wage. At \$4.25 per hour, the earnings of a full-time worker with a family of four are still only two-thirds of the poverty line. Almost 5 million workers are stuck in minimum-wage jobs (U.S. Bureau of the Census 1993, p. 429, Table 676).

The nature of employment is also shifting from full-time work to "contingent" or part-time, temporary work. It is estimated that there are more than 32 million contingent workers, accounting for almost a quarter of the workforce, and part-time jobs are expected to increase to about 40 percent of all jobs by the turn of the century. Almost two-thirds of the new entrants into the labor force by the year 2000 will be women, and they are more likely than men to hold part-time and temporary jobs (U.S. Government Accounting Office 1991; Blank 1990).

Part-time jobs are more likely to be dead-end. Part-time workers keep their jobs for shorter periods than full-time workers. Part-time workers often lack health and pension benefits, and receive a lower hourly wage than full-time workers. Families headed by part-time workers are four times more likely to be below the poverty line than are families headed by full-time workers (Tilly 1990, p. 5–6; U.S. Government Accounting Office 1991; Bureau of National Affairs 1994, pp. 28–29).

Finally, there is the myth that there are enough jobs paying a living wage for all the able-bodied poor. Much of the available research indicates that "the unemployed population significantly outweighs the number of job openings available at any point in time" (Lafer 1994, p. 351). Gordon Lafer estimates that, for 1990, there were six times as many people looking for jobs as there were openings.

This, then, is the labor market for the less-skilled: overall declining real wages, increasing education and skills requirements (even more than high school) for the better jobs, and increasing low-

wage, part-time jobs without benefits. We turn now to the welfare population. How do they match the labor market?

THE WELFARE POPULATION

In 1993, the average monthly family enrollment in AFDC was 5 million families, of which 9.2 million were children and 4.4 million were adults, almost exclusively women. Between 1969 and 1992, the average AFDC family size *decreased* from 4.0 persons to 2.9, which is about the same size as the average non-AFDC family. In 72.7 percent of the families, there are two or fewer children; 10.1 percent of the families have four or more children. About half of the children are less than six years old, with a quarter under age three (U.S. House of Representatives 1994, p. 402).

How does welfare support these families? Adjusting for inflation, the average AFDC grant in 1970 was \$676 per month and \$373 in 1993—a 45 percent reduction (U.S. House of Representatives 1994, p. 324).

Very few (7.9 percent) recipients are teenagers. Of these, over 80 percent are 18 or 19; less than 2 percent are 15 or younger (U.S. House of Representatives 1994, p. 401). Only 10 percent of AFDC recipients live in ghettos. African Americans account for less than 40 percent of the AFDC population; whites represent 38.1 percent and Latinos, 16.6 percent. About half lack a high school diploma. Most score in the bottom quarter on standardized tests of general aptitude and ability (Burtless 1994).

Rather than stuck in welfare as a "way of life," the welfare population is dynamic. Half the recipients exit AFDC within one year, and about three-quarters leave within two years. However, many return. Counting multiple spells, reasonable estimates are that 30 percent are on welfare less than two years; 50 percent less than four years; and a small proportion, perhaps as low as 15 percent, stay on welfare continuously for five years. The overall picture is that one group uses welfare for relatively

short periods of time and never returns. A middle group cycles on and off, some for short periods and others for longer periods, but again, not for five *continuous* years. And a third, but quite small group stays on for long periods of time (Greenberg 1993; Pavetti 1993).³ Those most likely to be long-term recipients are the young and never-married. They are usually without a high school diploma or significant employment experience, they have very young children, and they probably are minorities. But even among this group, no more than a third will be on welfare for as long as 10 years. In short, long-term welfare is the exception (Bane and Ellwood 1994).

The most common route out of AFDC is through work (Harris 1993; Greenberg 1993; Pavetti 1993). Many attempt to exit via work, but return to welfare for a variety of reasons—lack of health care, a break down in child care, low wages, and jobs that do not last. Still, by the end of six years, most will have left to enter the labor force. However, of those who leave welfare through earned income, about 40 percent remain poor after their exit.

Daughters of welfare mothers are more likely to experience welfare themselves than those of nonwelfare mothers. However, a majority (80 percent) of daughters who grow up in highly dependent homes do *not* become dependent themselves (Furstenberg 1992). The 20 percent who become dependent is much greater than the fraction of daughters from nonwelfare families who become dependent (3 percent), but there is no solid evidence that welfare *causes* dependency in the next generation. What is probably happening are the powerful effects of poverty and single parenthood (Gottschalk, McLanahan, and Sandefur 1994, p. 107).

SETTING THE POOR TO WORK

Given the characteristics of the low-wage labor market, it should come as no surprise that despite the fact that most welfare recipients try and do work, they find it very difficult to work their way off of welfare. Nevertheless, the major remedy for getting mothers to become economically

independent is through mandated work programs. The fundamental assumption is that the problem lies with the mother and not the job market. Yet, the experience indicates that most of these programs are failures and that even the few exemplary ones show very modest increases in earnings and reductions in welfare costs. Most recipients in these programs remain on welfare. And rarely do any escape poverty.

Under the first federal welfare-to-work program, the Work Incentive Program (WIN), all adults and children over 16 were to register and be referred for employment training and services.⁴ While over 2.7 million employment "assessments" were made, only 2–3 percent of the eligible recipients were successful in obtaining jobs. Moreover, only 20 percent held their jobs for three months or more. At the same time, very few recipients were sanctioned. The vast majority of recipients were excused from participation by local officials.

In 1971, a frustrated Congress enacted WIN II. The able-bodied welfare poor were to be forced into low-status work. Direct job placement was emphasized over education and training, and sanctions were strengthened. Mandatory job search became the primary focus—it was simple to administer, it cost little, and the responsibility for searching and finding a job was placed on the recipient. WIN II failed as well. Registration turned out to be a "paper" requirement. Under the best scenario, WIN II was able to remove less than 2 percent of AFDC recipients from the rolls and reduce grants by an additional 2 percent.

Under the Reagan administration, states were encouraged to experiment with welfare-to-work programs. It is these state demonstrations that provided the background for the Family Support Act and the current proposals. While there was great variation among the states, overall the programs produced "modest" increases in earnings and welfare savings. Most of those who got jobs remained in poverty and on welfare. The programs did not increase the self-sufficiency of long-term welfare recipients. In California's GAIN program, in Los Angeles County, with 34 percent of the AFDC population, there

were some welfare savings but no gains in earnings. In one of the most successful programs (San Diego Saturation), the monthly participation rate never reached more than a third of the eligible recipients. The Riverside, California, program is now being touted as the model of success, but in the latest year of the experiment, the average earnings increase for the participants over the controls was only \$1010 more per year, or less than \$20 per week (Riccio et al. 1994, Table 1). Moreover, 70 percent of the recipients were not employed and still on welfare. The "modest" effects of these programs are not surprising. The programs that have proved to be cost-effective are low-cost job search programs pushing people into low-skill, low-wage jobs.⁵

The Family Support Act (FSA), hailed as the most comprehensive welfare reform since the Social Security Act, did little more than codify the state demonstration programs. By 1992, overall, only about 7 percent of adults were participating in a program component. The gap between the rhetoric and the performance was predictable. Given the states' economies and fiscal problems and the level of funding, it is not reasonable to expect the FSA JOBS program to do much of anything for the vast majority of welfare recipients. At present, the states are spending only about 60 percent of the allocated federal funds. Even if the states spent 100 percent of federal funding, JOBS would probably not reach a quarter of AFDC families. Today, the FSA is considered to be either irrelevant or a failure (Bane and Ellwood 1994, p. 1).

When we put the pieces together—the state of the labor market and the characteristics of the welfare population—we see that single mothers on welfare cannot even come close to supporting themselves by earnings alone.⁶ Even if they work full-time, the majority of women receiving AFDC are not likely to earn much more than they receive on welfare. Nevertheless, despite this long history of failure, we are now embarking on another wave of reform premised on the same old assumptions.

"ENDING WELFARE AS WE KNOW IT"

The Clinton administration's Work and Responsibility Act as well as the Republican's Contract with America is at least the sixth time in the last thirty years that proposed changes in AFDC have been hailed as "fundamental." What is claimed to be truly different this time is time-limited welfare—or, "two years and you're out." But time-limited welfare is not new. It is the basic, historic, simplest way to reduce welfare by setting the poor to work—that is, cut the grants—and it is invariably justified on rehabilitation grounds. Michigan has terminated General Relief, except for the disabled; the governor simply announced that there are plenty of jobs available. Several other jurisdictions are considering similar measures. Wisconsin has been granted permission to impose time-limited welfare for AFDC mothers, without any provision for guaranteed jobs or workfare. Here, too, the governor is confident that jobs are available.⁷ For the past two decades, AFDC grants have declined by almost half.

With AFDC, it is hard to see how time-limited welfare makes any sense. As we have seen, the two-year time frame is based on the misconception about the extent of welfare dependency. Moreover, there is a great deal of movement on and off welfare even within that period. Welfare agencies contract with educational and training services but these are not designed for transient welfare students, and, as will be discussed shortly, the lack of fit between education and training services and AFDC recipients is a serious problem.

At the end of two years, if the recipient can't leave welfare via a private sector job, she will be required to take a subsidized job, either private, public, or nonprofit, under the WORK program. The administration claims that WORK jobs will be "real" jobs because, as distinguished from work-for-relief ("workfare"), the recipients will receive wages. However, WORK jobs cannot last more than one year and cannot displace other workers, including those who are laid off or out of work because of a labor dispute. WORK jobs will be typically minimum wage, for between 15 and 35 hours per week. Medicaid will continue. As "real" jobs, they will be subject to FICA taxes, but not covered by

unemployment or the Earned Income Tax Credit. If the earnings are less than the welfare grant, the family will receive a supplement.

When the WORK job or the two years in the WORK program are up, the recipient would not necessarily be removed from the rolls if she has not found a private sector job. Rather, she would be subject to either more intensive job search, a state reassessment of employability, or another WORK assignment, or she could be placed in a deferred status, referred back to JOBS, or, at state option, removed from the rolls for failing to comply. Under the Republican proposals, the Clinton loopholes would be closed. After two years, only workfare jobs would be provided, and then, only for three years. But states, at their option, need not provide the jobs; they can cut off the recipients after two years.

Crucial questions are how many WORK jobs and at what price? In a recent *New York Times* article, estimates for the required number of jobs that would have to be created ranged from between 500,000 to 2.3 million. A work program that enrolled 2.3 million would cost about \$14.5 billion per year; with expanded training, the bill could be as high as \$20 billion.⁸ It is hard to imagine the American taxpayers willing to spend this kind of money to give welfare recipients jobs.

It is for these reasons that the administration is proposing a scaled-down phase-in period. The program, slated to begin in 1996, will apply only to recipients born after 1971. The administration estimates the cost of the scaled-down version at \$9.4 billion over five years. A recent Congressional Budget Office estimate is nearly \$5 billion more.⁹ Even under the scaled-down version, 394,000 are planned to be in a WORK job by FY 2000, and 566,000 in FY 2004. This is a lot of placements. In the entire JOBS program, involving a half million families, probably less than 30,000 were in a workfare activity.

Moreover, it is not easy to place welfare recipients in jobs. Los Angeles County runs a workfare program for single men on General Relief. Despite fairly aggressive marketing, the county

cannot persuade other government agencies or nonprofits to take free labor for even the most menial jobs. Only 40 percent of recipients are placed. It's not that the men are "ne're-do-wells"; rather, employers are reluctant to use welfare recipients, and there are union opposition, administrative costs, and competition for free labor. Welfare recipients are not "free labor."¹⁰

It is laudable that the administration is targeting scarce resources on the younger recipients, those most likely to be long-term recipients. However, the reason these recipients are unable to exit welfare on their own is that they have more severe employment problems. In addition to more child care, they need more education, but the most recent report on the California GAIN program, which has the largest mandated basic education program for AFDC recipients, found that basic education did not improve basic literacy or math skills or employment earnings or welfare savings. The principal reason, it seems, is that standard adult education is not tailored to the special needs of the less-skilled (Martinson and Friedlander 1994).¹¹

The lack of results from welfare-sponsored basic education is a serious issue. In general, welfare recipients who have more education and experience are better positioned to exit from welfare via work (Harris 1994). But, as noted, with welfare mandated programs, the "best" results so far are from work programs that emphasize the quick, cheap job search pushing the most job-ready recipients into low-paying employment. The younger, less-skilled mothers are not only more expensive to serve but will have higher rates of failure. In the past, when this has happened, politicians have scrapped the more expensive components in favor of the quick and cheap. The Republicans and many Democrats and governors claim that there are too many loopholes in the administration's program. Just as the Republicans are complaining about the "pork" in the crime bill, they can also be expected to cut down on education, training, and other services in welfare reform. Everyone, it seems, is now pushing the Riverside model. While Riverside has a positive cost-benefit ratio—as far as the government is

concerned—most Riverside recipients have failed to find employment; very few have left welfare; and almost all remained in poverty.

In view of the problems of the Clinton plan, it is easy to see why the Republican jobs proposal is phony. Huge numbers of slots would have to be created. This would be even more expensive than the Clinton plan because more jobs would have to be provided at a faster rate and for longer hours. The Republicans acknowledge this but hope to achieve savings by cutting tens of billions in other antipoverty programs. Under the Republican proposal, mothers would be required to work for 30–35 hours per week. In the median state, with an AFDC grant of \$367 for a family of three, 35 hours translates into \$2.43 per hour—and without unemployment, Social Security, or the EITC. Because most AFDC recipients now supplement their grants with work in the informal economy, they would have to quit the workfare job. This, of course, is the perfect solution for the Republicans. Extreme poverty may increase, but welfare rolls will go down. Moreover, they will go down, it will be claimed, under the threat of workfare.

As noted, there are other provisions in the Republican program that will also reduce welfare rolls. Unless a state exempted itself, if either parent of a child is a minor, the child is barred from AFDC for life. Unless a state exempted itself, it must deny aid to families where paternity is not established regardless of the good-faith efforts of the mother. At the current time, paternity is unknown (or undocumented) for about 30 percent of AFDC children, or about approximately 2.8 million. The Republicans say that funds to build orphanages will come from expected savings. Sanctions on families are to be increased and three sanctions will result in permanent disqualification. With AFDC capped, presumably applicants will be denied when the money runs out. Finally, there are provisions for states to opt out of AFDC altogether and receive a block grant to administer "any program established by the State to provide benefits to needy families with dependent children."

ARE THERE ALTERNATIVES?

Paradoxically, while all the attention is focused on time-limited welfare with required work, the Clinton administration stands for much more. He proposes various subsidies and benefits to make low-wage work pay, including the very important expansion of the EITC (already enacted) and (hopefully someday) universal health care. These measures alone will go a long way towards making work pay for the working poor, which will also help welfare recipients.¹² He also proposes increasing child support efforts, child care, special health programs for women and children, and a national campaign of education and services to reduce teen pregnancy.

The Clinton welfare proposals are said to be based on the work of David Ellwood, Assistant Secretary of HHS for Planning and Evaluation, but there are crucial differences. When Ellwood was a Harvard professor, he proposed making work pay through expanding the EITC, raising the minimum wage, and providing health care and child care benefits. In addition, he proposed a \$2,000 annual child support guarantee per child if fathers failed to pay child support. And he would require the mother to work only half time. He argued that it is both unreasonable and unwise to expect a single mother, especially of young children, to be both a full-time worker and a mother. The majority of nonwelfare mothers, while in the paid labor force, choose not to be full-time workers. Working half-time at a minimum wage job, with an expanded EITC, plus health benefits, plus day care, plus the guaranteed child support, would bring the single mother about up to the poverty line. If she wants to have more income, she would work more, but the choice would be hers. These are the most important parts of Ellwood's plan. It is true, he calls for an end to welfare for the able-bodied. Single mothers would either find a private sector (*half-time*) job or the government would provide a job. He doesn't know how many people would need government-provided jobs, but assumes that it will be a "tiny fraction" (Ellwood 1994).

The importance of Ellwood's initial proposals, as well as some of the Clinton initiatives, is that they focus on the demand side of the equation—increasing earnings from jobs, providing health care and child care, and providing income support to cushion the instabilities of the low-wage job market. This approach, as Ellwood argued, not only takes advantage of the large numbers of welfare mothers *already* working or trying to work, but at the same time, it would significantly reduce poverty for these families.

Unfortunately, two of the most important parts of Ellwood's reform plan—*half-time work and guaranteed child support*—drop out of the Clinton plan. Instead, welfare recipients are to be required to take full-time work with no child support guarantee.¹³ Universal health care now seems a distant dream. There is no mention of raising the minimum wage. And, as a result of the November election results, we can expect an even more stripped down program.

HOW IS IT ALL GOING TO TURN OUT?

Despite the rhetoric, the new round of welfare reform proposals is a continuation of the same old attitudes about the causes of and cures for welfare. Nevertheless, there are some changes which may be important.

Whatever happens, most of the action will be at the state and local level. AFDC has always been a state- and county-administered program. In the 1960s and 1970s, some elements were federalized, but even under the federal work programs, state and local discretion was paramount. And now state authority is increasing under the waiver practice. There is considerable truth to the statement that today there is no national AFDC program. In fact, I would argue that there are not even 50 state programs. There are over 3,000 county governments, many of which run welfare programs. Moreover, there are multiple offices in the larger urban counties. Even under state-run programs, local offices

exercise considerable discretion. In other words, for a great many crucial decisions, there are hundreds, if not thousands, of local programs.

Under prior welfare-to-work programs, very little happened at the local level. Politicians demand the end of welfare by setting the poor to work, but local welfare offices face the reality. They lack control over local labor markets as well as the resources to meet the demand for training and services. At the same time, if they really enforce the requirements, their counties will have to pick up the pieces. Even straight workfare is more costly than welfare since child care, transportation, work-related expenses, and administrative costs are incurred, and the work experience does not lead to regular employment (Brock, Butler, and Long 1993). Sanctions will mean more poverty, more homelessness, and more broken homes, and welfare hotels, shelters, and foster care are, if nothing else, more expensive than welfare. The inevitable response at the field level is to deflect the bulk of the recipients. Some recipients will get jobs, some will get sanctioned, but the vast majority will somehow be deferred, and life will go on. This tactic will work for awhile—as long as welfare rolls and costs do not become an issue again. When rolls and costs become unacceptable, we will try again with the same old programs of setting the poor to work.

Under this scenario, it is doubtful that the two-year cut-off will make much of a difference. It is easier for politicians to end General Relief than AFDC. Single men will drift around, hustle, join the homeless, and, sadly, die slowly and usually out of sight. With AFDC, there are children, and we have not come to the point where we treat children this harshly. Families show up in shelters; children go to foster homes and institutions; and predicted outcomes for the children are, to say the least, quite poor. These systems are already overburdened and they cost more than AFDC. Moreover, more often than not, it is state and county dollars that fund them rather than federal cost sharing. It is no surprise that several Republican governors are expressing doubts about the more draconian aspects of the Contract

with America and pushing for more state autonomy. For both fiscal and humanitarian reasons, we cannot push AFDC families as far as single men.

The president's Work and Responsibility Act changes the incentive structure for the states, which may make a difference. There are various requirements, with penalties, on the states concerning recipient participation rates with attempts to close the loopholes that the states have used in the past to excuse most recipients from the work requirements. By themselves, these changes would not make a difference. States have always been able to avoid paying penalties to the federal government. However, what is new is that the states will be able to count as "participants" recipients who are sanctioned. Moreover, the sanctions under the WRA are considerably more severe than under prior programs. Previously, only the adult would lose her grant; now, the entire family is off welfare. Thus, the states will not only save more money per family but will find it easier to meet federal requirements. There are countless ways in which a recipient can either be excused or sanctioned—the bus was late, a doctor did not send the note in, a job search verification was not received. Under the WRA, a state may be able to save as much \$5,000 per sanctioned family. Accordingly, states may be less willing to defer recipients.

Would the increase in sanctions make a difference? The families who are sanctioned, of course, would be worse off, but would the presence of creditable sanctions lead to more compliance on the part of the recipient population? This, of course, is the age-old deterrence theory. The poorhouses were deliberately wretched even for those who had to use them (the old, the sick, children), in order to deter the able-bodied. With work programs, we know that agencies that stress cooperation and support, and downplay sanctions, have higher participation rates (Hasenfeld and Weaver 1993). This was true for Riverside; even though there were sanctions, caseworkers considered a client failure as an agency failure. We also know that agencies that rely on sanctions become rule-bound and distant, and have higher sanction and lower participation rates. We also know from other welfare reforms, such as

Learnfare, that incentives and support have positive results but that sanctions are ineffective (Long, Wood, and Koop 1994). Behavior does not change—for those who are sanctioned—and the family is worse off. Nevertheless, reform remains fixated on sanctions.

What, then, is going on? Why the obsession with harsh welfare reform? The reasons for the continued vitality of mandatory work programs cannot reside in the salutary effects on the poor or on welfare costs, but rather in their apparent utility to the nonpoor. The fact that there is such a large disjuncture between the ideology of work policies and what happens in fact is a strong indication that these programs—both the Democratic and Republican—serve a primarily symbolic purpose.

It is our age-old practice of treating the dependent poor as different, as deviant, as in need of moral reform. People are anxious and everyone is sore about welfare, about people not helping themselves, and once again the solution is to set the poor to work despite the overwhelming evidence that work policies and programs generally fail to reduce welfare rolls in any appreciable way or to improve the economic self-sufficiency of the poor. The evidence is consistent that the welfare poor share the work ethic and that most seize opportunities to improve themselves and leave welfare when they can. None of the welfare programs, whether education, training, job search, or workfare, does anything to change the labor markets, and adequately paying jobs are becoming increasingly unavailable. "Welfare" as contrasted with "work" is simply an obsolete idea for most single mothers on welfare. Yet, policymakers and academics insist that we have to "send a message."

The welfare reforms today are symbolic exercises, less to "reform" the deviants than to make us feel good. We affirm our norms by stigmatizing others. This is a grave matter, primarily because it seems so ubiquitous and so enduring. AFDC recipients suffer from so many negatively ascribed characteristics—African-American, sexual promiscuity, "underclass," criminality, substance abuse, spawning a new generation of criminals—that one wonders whether we will ever change our attitudes. When we look at who these people actually are—single adults, trying to get out of welfare, trying to

raise their children, and trying to make lives for themselves, and children growing up in such wretched conditions (and most of them succeeding)—the cruelty of the persistent stereotype is overwhelming. It is the Willie Horton of the nineties.

The initial instincts of President Clinton were correct—emphasize health care benefits, value private sector employment, expand the Earned Income Tax Credit, and downplay welfare reform. "Making work pay" puts the horse before the cart. This is the way to reduce the most important problem—poverty. Welfare rolls and costs decline when adequately paying jobs are available. At that point, welfare reform can quietly concentrate on the more troublesome cases. Welfare reform, by itself, does nothing to improve the job market, and unless there are more jobs paying more income, we will have done nothing to lessen poverty or reduce welfare.

Notes

¹For a recent synthesis and analysis of the literature dealing with at-risk youth, see National Research Council (1993).

²Louise Uchitelle, "Moonlighting Plus: 3-Job Families on the Rise," *New York Times*, August 16, 1994, p. A1.

³What, then, accounts for the commonly held view of the long-term welfare recipient? Despite the fact that most welfare spells are relatively short, at any one time a majority (65 percent) of persons enrolled are in the midst of what will be long periods of welfare receipt. This is because the probability of being on welfare at a given time is necessarily higher for longer-term recipients than for those who have shorter welfare spells. Thus, even though the typical recipient is a short-term user, the welfare population at any point in time is composed predominantly of long-term users. The example that the House Ways and Means Committee uses to illustrate this point is as follows:

"Consider a 13-bed hospital in which 12 beds are occupied for an entire year by 12 chronically ill patients, while the other bed is used by 52 patients, each of whom stays exactly 1 week. On any given day, a hospital census would find that about 85 percent of the patients (12/13) were in the midst of long spells of hospitalization. Nevertheless, viewed over the course of a year, short-term use clearly dominates: out of 64 patients using hospital services, about 80 percent (52/64) spent only 1 week in the hospital" (U.S. House of Representatives 1992, p. 686).

⁴Unless otherwise indicated, the history of the federal work programs is from Handler and Hasenfeld (1991).

⁵Moreover, the "exemplary" results in Riverside depend crucially on intensive job development by the staff, that is, the staff seek out potential employers. The county tells the employers that if they use the county as an employment source, they will have applicants "that afternoon" who are trained and

ready, *and* that the employer will be saved the cost of sifting through a thousand job applications. While this is good for the recipients, there are troublesome equity problems. One observer saw a middle-aged man approach the Riverside welfare department seeking employment; he was told that he had to be a welfare recipient to receive help in finding a job.

⁶For a qualitative study detailing the earnings and living experiences of welfare families in Chicago, see Jencks (1992).

⁷Jason DeParle, "Clinton Allows State to Limit Aid to Indigent," *New York Times* (November 2, 1993), p. 1.

⁸"Change in Welfare Is Likely to Need Big Jobs Program," *New York Times* (January 30, 1994), p. 1, col. 8.

⁹Jason DeParle, "Analysis Increases the Cost of Clinton's Welfare Plan," *New York Times* (December 3, 1994), p. A9.

¹⁰Tracy Kaplan, "Jobs Scarce for Recipients of `Workfare,'" *Los Angeles Times* (June 24, 1994), p. B1.

¹¹One program, San Diego, did tailor the basic education and training program to the specific needs of welfare recipients, and did show positive results. But again, replication is not certain. A so-called model program, New Chance, "showered" teen mothers with education and services, but without any effect on either employment or pregnancy. Jason DeParle, "Study Finds that Education Does Not Ease Welfare Rolls," *New York Times* (June 22, 1994), p. A8.

¹²Three very important changes have been made in the Earned Income Tax Credit: (1) it now applies to welfare recipients; (2) benefits have been raised significantly; and (3) EITC receipts are not counted against welfare income.

The EITC is a very significant program. Today, nearly 14 million families receive the credit; when fully funded, it will amount to more than \$7 billion a year. And it enjoys strong bipartisan

support. For a family with two or more children earning \$8,500 per year, the benefit will be \$3,370 (39.7 percent), which is just about the poverty line. In Jencks's (1992) study of working welfare mothers in Chicago, the jobs they had paid about \$5.00 per hour. If a mother had worked 25 hours per week for 48 weeks at \$5 per hour, she would have earned \$6,000 and received about a \$2,400 EITC. The total—\$8,400—would have been \$3,600 more than the family would have received on welfare (AFDC and food stamps come to \$4,800 per year in Illinois). We have noted that a majority of welfare recipients are already working or trying to work, and more than two-thirds will exit welfare via work. The changes in the EITC should greatly accelerate this process.

¹³There are provisions for a limited number of state demonstration projects with time-limited guaranteed child support.

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