

# Poverty and the American Dream

*I HAVE SEEN THE welfare system first hand as a volunteer outreach worker at a Boston welfare office (Department of Transitional Assistance). The other day I walked into the office to see a distraught woman sobbing disconsolately on the floor. She had unknowingly parked in the parking lot of the Burger King next door. She moaned, "I begged him not to tow me. I told him that I am homeless and don't have any money to feed my children, but he didn't listen. He still towed me." The woman had just been told that she was ineligible for shelter because she lacked some documentation. The driver of the tow truck lurks inside the Burger King waiting for people and tows someone almost every day.*

*Soon after that I talked with a man who had been kicked out of a shelter, along with his four year old daughter, because he got a job that paid more than the shelter eligibility limit of \$1,041 a month, the poverty level for a family of two. He does not make enough money to pay market level rent in Boston, an average of \$1,200 a month for a two bedroom apartment, and he cannot get a Section 8 federal housing subsidy because they have been frozen, and no one knows when or if they will be available again.*

*Next, I talked with a young woman whose welfare assistance for herself and her three-year-old had been cut off because she missed one day at her job search program. The reason she missed it is because her child was sick and she had to stay home to care for him. She had just located a temporary job in medical technology but her childcare had been cut back to half a day and she couldn't start the job until the worker approved her for full day childcare.*

*I recently spent a summer in Finland, and a social insurance*

*official there told me that they did not believe families should be in shelters. They made sure families had permanent housing. They also had guaranteed universal childcare and universal health care. Those scenes in a Boston welfare office would not occur in Finland.*

*Not many people know of the daily tragedies that occur at the welfare office, and until the news gets out and the voting public becomes concerned enough to elect officials who will change the system, the tragedies will continue. So I was pleased when I heard that Jason DeParle had written a book about welfare reform.*

*Jason DeParle has been on the poverty beat of the New York Times for many years, writing knowledgeably about poverty and welfare. Frances Fox Piven, a long-time observer of his work, describes him as “an exceptionally careful and sincere journalist.”[1] It is to the Times’ credit that they have a poverty beat. When I called The Boston Globe and asked to speak to a reporter on their poverty beat, I was told that they don’t have one (and they are owned by the Times).*

*American Dream has been reviewed by major newspapers across the country. De Parle has been interviewed by NPR and other stations, and he is on the lecture circuit talking about welfare and poverty. The widespread publicity given the book may contribute to the current Congressional debate about reauthorization of the infamous 1996 welfare bill, the Personal Responsibility and Work Opportunity Act (PRWOA), which DeParle analyzed as it played out in Milwaukee.*

*Few people are talking about poverty. As Bob Herbert wrote in the Times, “Poverty is not even close to becoming part of our national conversation. Swift boats, yes, sex scenes on Monday Night Football, most definitely. The struggle of millions of Americans to feed themselves? Oh no. Let’s not go there.”[2]*

*In his campaign for the presidency, Kerry told the middle*

class, "I've got your back. I've got your back because I know what you're going through." [3] He talked about working families and the middle class, but he didn't talk about the 36.9 million Americans who lived in poverty in 2003 including the 15.3 million who lived in extreme poverty (less than half the official poverty line of \$18,810 for a family of four).

### **Welfare and Race**

FROM 1991 TO 1999 DeParle studied welfare reform through the lens of a close acquaintance of three women and their children – Angela Jobe, Jewell Reed, and Opal Caples – whose ancestors were slaves and worked on James Eastland's plantation after slavery. When I first picked up his book and saw a young black mother with two children on the cover, my heart sank and I thought, "Oh no. Not again." Welfare and race have been intertwined in the media and in the public imagination since the 1960s. An analysis of media coverage of welfare by FAIR (Fairness and Accuracy in Reporting) for three months from December 1, 1994 and February 24, 1995 revealed that most of the recipients who were interviewed were black, even though the majority of recipients at that time were white. In a U. S. News & World Report cover story, "six of the seven pictures were of women of color, mostly African Americans. The only white woman pictured was described as clinically depressed, as if poverty only affects white people who are in some way handicapped." [4] Recipients shown in the media often had several children, even though families on welfare have an average of 1.9 children, slightly less than the national average.

DeParle said that he has been asked why he centered his book around African-American women, and he said it was because in Milwaukee, where he did the study, 70 percent of welfare recipients were black. By that reckoning, there should have been at least one white recipient. He could have found more white recipients in rural Wisconsin, but most journalistic studies of welfare focus on the inner city. Journalists look

*for compelling stories that will entertain, and black people in the inner city hold endless fascination for the American public. They are assumed to be part of the underclass, and when the media does stories on the underclass, they are always black.*

*Yet, in defense of DeParle's choice, welfare policy has been powerfully shaped by slavery and Southern legislators who want to keep black people submissive and exploited. DeParle deftly weaves the genealogy of his protagonists – Angie, Jewell, and Opal – with the history of slavery and its aftermath and the history of welfare policy. When ADC (Aid to Dependent Children) was first created in 1935 as part of the Social Security Act, legislators meant it to be for white widows, not for black women. Later on those widows were folded into the other part of Social Security called the Old Age, Survivors, and Dependents Insurance (what people commonly call Social Security).*

*In 1999 the Census Bureau showed that there were 3,795,000 children, along with their parents who received Social Security benefits because a parent was widowed or retired. A widowed mother or father with 2 children would have received benefits totaling \$20,712 a year. Who knew? It is one of the best-kept secrets of the nation. The families just get their checks until the children grow up, with no caseworkers to pry into their private lives. What a contrast to AFDC (now TANF, Temporary Assistance to Needy Families), which has given cynical officials a scapegoat to advance their political careers and has subjected millions of women and their children to demeaning treatment, inadequate grants, and policing of their behavior.*

*DeParle wonders whether the stories of three welfare families can be representative of nine million people. The answer is obvious – they can't. They aren't representative of the white population, or the rural population, or the millions of legal immigrants who suffered the most from the welfare bill*

because they lost food stamps as well as TANF benefits, or the welfare recipients who struggle against odds to finish their college education, or the small minority of recipients who are in two-parent families or single dads caring for their children, or the parents convicted of a felony who are denied benefits for their lifetime.

The focus on TANF also misses the disabled children whose benefits were cut in the welfare bill, the disabled immigrants who lost their SSI (Supplemental Security Income), and what Peter Adelman described as the most troubling cut (of the PRWOA), limiting food stamps to three months out of every three years for unemployed adults under age 50 who are not raising children.[5] DeParle does not mention that in most states there is little or no help available for able-bodied single people who have no unemployment benefits or who have used up their benefits. While his deep involvement with these three women reveals much about welfare reform, and DeParle sometimes illuminates the larger picture by citing studies, the larger context is sometimes lost and one is left to wonder just how representative these women are.

Nevertheless, DeParle has written compassionately about these women and their struggles with the welfare system and with poverty. He clearly cares deeply about them. He visited their homes, accompanied them to dentist appointments, and drove them to prisons to visit their lovers and fathers of their children. His description of their experiences gives us a fairly accurate picture of what is happening with black single mothers without a high school diploma who must rely on low-paid work to support their families.

DeParle writes vividly about welfare reform, which he calls "the Middle East of domestic policy." He makes the opportunistic political machinations of politicians to get ahead on the backs of welfare families as compelling as a detective story, tracing the torturous fight between right-wing Republicans and the Clinton Administration to craft a

welfare bill. On the far right was Newt Gingrich, calling for a balanced budget that could only be achieved by ending all social supports – not only welfare, but food stamps, Medicaid, and school lunch programs. He talked of putting poor children in orphanages. He received ideological support from Robert Rector of the Heritage Foundation, who had the backing of the Christian Coalition and other conservative grassroots groups. Rector called for ending all cash, food, and housing aid to any women under age twenty-six who had a child outside of marriage. Former cabinet secretaries Jack Kemp and William Bennett urged other conservatives to “discredit the moderate pretensions of the president.”

Gingrich had powerful allies in the Republican governors, who controlled thirty state houses after the 1994 elections and who pushed for the freedom to run their own welfare programs. Some, like Tommy Thompson in Wisconsin and John Engler in Michigan, had run experimental welfare programs that received national publicity and had reduced the rolls. Clinton had approved waivers from federal welfare requirements for forty states, setting the stage for states to run welfare programs. Massachusetts, under Governor William Weld, passed a welfare law in 1995, a year before the PWR0A, that set a two year time limit. Republican governors campaigned for block grants, and Gingrich saw this as “the starting point for the block-grant revolution, with a hundred other programs to follow, from health care to housing.” (126)

In a letter to the federal government, Republican governors Thompson, Engler, and Weld wrote, “We are willing to accept a reduction in funding if we are given the freedom to run these programs with few, if any, strings attached.” (126-127) Democratic governors were less certain. Howard Dean, governor of Vermont and the chairman of the National Governors Association, accused the GOP of trying to starve children. (It is no coincidence that TANF grants in Vermont are the highest in the nation.) Some Democratic governors feared a

"race to the bottom," with states competing to keep services and tax burdens low.

### **The Clinton Plan**

BILL CLINTON CAMPAIGNED in 1992 on the promise to "end welfare as we know it" and talked of a two-year limit. Peter Edelman described this as "bumper-sticker politics – oversimplification to win votes." The fine print of his plan also said, that people who "played by the rules" and couldn't find work could continue to get benefits as before. David Ellwood, a Harvard professor, had presented Clinton with a plan that "endorsed time limits but only as part of a larger expansion of aid which would include universal health care, job training, childcare, and child support 'assurance' – in effect, a guaranteed income for single mothers, since the government would make support payments if fathers did not." (103) The government could limit welfare to between eighteen and thirty-six months; then recipients would be offered a public job. When it became evident that the supports would be very expensive, Clinton lost interest in Ellwood's plan.

As support for cold-turkey time limits grew among Congressmen, Henry Aaron of the Brookings Institutions wrote Ellwood that "a feral mood is loose on the Hill," (116) and advised him to resign. Ellwood hung on until it became clear that the Republicans had no intention of going with his plan, then resigned as Clinton's welfare advisor in 1995 and returned to Harvard, "where he spent the next few years in disillusioned exile, wondering where Clinton's core convictions lay." (137) Mary Jo Bane, co-author with Ellwood of the book *Poor Supports*, also resigned.

When the Republicans gained control of Congress in 1994, they latched on to Clinton's time limit rhetoric and proposed an absolute time limit of five years, and an end to entitlement to assistance. They proposed to send a fixed amount of money in block grants to the states, without a federal guarantee of

*assistance to families.*

*Clinton won the argument about orphanages and school lunches, but remained silent on the rest of the bill and left Democratic Congressmen with no support for an alternative to the Republican plan. He vetoed two bills submitted by the Republicans, one of which contained cuts to Medicaid. Although Medicaid provides health care to the poor, it also pays for nursing care for the middle class, and hospitals, doctors, and pharmacists benefit from it as well as middle class families. Clinton was not willing to go against those powerful lobbies.*

*The Republican strategy was to expose Clinton as a hypocrite who wouldn't deliver on welfare reform despite his rhetoric. When Clinton refused to sign a bill that would block grant Medicaid, the Republicans separated welfare and Medicaid and sent the bill containing five-year time limits and block grants for AFDC. Vice President Al Gore urged him to sign it. Most of his cabinet urged him to veto it. Just before he signed it, Donna Shalala, the secretary of Health and Human Services, rushed an Urban Institute study to him that predicted the bill would move 2.6 million people into poverty, including 1.1 million children. It did not sway Clinton. He had seen polls that made him believe that if he did not sign the bill he would lose the election to Bob Dole, and he signed the bill anyway.*

*Most of the Democrats voted for the bill, including John Kerry (Kerry even bragged about his vote during his presidential campaign). DeParle chastises them for their timidity and says that even Ted Kennedy approved of workfare. Yet he does not mention that Kennedy voted against the bill. He also does not mention Paul Wellstone and Patsy Mink and their fierce opposition to the bill. With the assistance of her daughter Gwendolyn Mink, Patsy Mink crafted a humane welfare bill and submitted it to Congress, where it was ignored. Both Wellstone and Mink have since died – Wellstone*

*in a plane crash, and Mink from pneumonia, and welfare activists still mourn their deaths.*

*Although he chronicles Clinton's crass opportunism, DeParle still calls him a liberal. Peter Edelman, who resigned his post as assistant secretary at the Department of Health and Human Services after Clinton signed the bill, said, "Now no one could ever say again with any credibility that this President is an old liberal." Howard Zinn, when asked if the left was too easy on Clinton, said, "The moderate left (liberals) had high hopes for Clinton and were not prepared to battle against his policies. As a result, Clinton got away with a lot, from the passage of so-called welfare reform to his foreign policy – he was the first to raise the specter of weapons of mass destruction as an excuse to bomb Iraq." [6]*

*Lest anyone have any illusions that Hillary disagreed with her husband, DeParle quotes her as saying, "We have to do what we have to do. I hope our friends understand." She believed that if Clinton vetoed the bill a third time, he would be handing the Republicans a windfall to win the election. When she spoke of friends, she probably had in mind Peter Edelman and his wife Marian Wright Edelman, president of the Children's Defense Fund whose slogan "No Child Left Behind" was kidnapped by the Bush Administration as the title for their education act. The Children's Defense Fund fought valiantly against the act but they couldn't call out troops to fight as the Christian Right did.*

### **The Politics of Opposition**

*DEPARLE SAYS THE left was quiescent in this fight, but that is not accurate. The pro-reform forces got most of the media attention, but there was protest. In their effort to prevent passage of the bill, the leadership of the National Organization for Women (NOW) went on a hunger strike and their legal defense fund continued to organize against welfare reform, but NOW was not able to summon large numbers*

of their membership to the fight. Many feminists were so committed to getting into the work force that they saw nothing wrong with forcing welfare mothers to do the same. Public service unions opposed the bill because they saw it, rightly, as a potential threat to their jobs. But they did not mount a large or sustained fight against it. Like most of the American public and many people in the left, they did not like AFDC and did not define caretaking as work that should be supported by taxes. DeParle tells of a conversation with a man he describes as a "lefty labor organizer," John Gardner, a school board member in Milwaukee who had long called for abolishing welfare and replacing it with public jobs. Despite some criticisms of Wisconsin's welfare reform, he "reveled at the sight of so many poor women groping their way into jobs." (326)

There were many welfare rights groups fighting against welfare reform. I helped to found one of them, Survivors, Inc., along with some welfare recipients who were students at the University of Massachusetts. The Welfare Law Center in New York City helped these groups to coordinate their activities through an e-mail listserv.

Legal services advocates fought against welfare reform. The Catholic Church and the National Council of Churches opposed it. The American Friends Service Committee, the Unitarian/Universalist church, and the United Church of Christ opposed it. Many academics fought against it, including Gwendolyn Mink, Frances Fox Piven, Richard Cloward, Barbara Ehrenreich, Linda Gordon, and Nancy Fraser, among others. But all of these people were powerless to turn back the tidal wave of reaction because there was no large voting constituency demanding to keep a safety net for low-income parents and their children.

DeParle chose Milwaukee to study welfare reform because Governor Tommy Thompson had showcased his Wisconsin Works (W-2) plan as a model for the nation. Thompson's opponent in

the Republican primary described him as a “two-bit hack,” and the head of the state Democratic Party “declared her bra size larger than Thompson’s IQ.” (62) However, Thompson had presidential ambitions and he aimed to get there through his promise to cut the welfare rolls. Although Wisconsin had lost nearly half of its manufacturing jobs in just 20 years, “welfare, compared to deindustrialization, was an issue politicians could more readily address, and voters were screaming for change.” (62)

The W-2 program, crafted by Jason Turner, (who later went on to head New York City’s workfare program) was based on a work first philosophy. It converted a voluntary plan that emphasized education to a mandatory program that emphasized work. Everyone would be forced to work in order to get a check. For those who couldn’t find private employment, the state would create thousands of community service jobs. And it would offer subsidized childcare and health care, not only for welfare recipients but also for other low-income parents. Jason Turner was a right-wing idealist who believed that work had the power to save the soul. “It’s work that sets you free!” he said, “not realizing that he was quoting the motto on the gate to Auschwitz.” (162)

Before the W-2 program was fully implemented, Turner created a “Pay for Performance” program that enlisted county government and nonprofit groups for community service positions, where recipients went sent to sweep floors, answer phones, or sort the mail. And he reduced their checks for every hour they missed. The program cut the rolls dramatically, 66 percent in the two years until the transition to W-2 was completed. Outside Milwaukee, the rolls fell even faster, 93 percent over the two-year run-up to W-2. Turner and others were amazed and pleased at the precipitous decline in the rolls.

DeParle asks why “so many ostensibly destitute people” declined to work for welfare. One reason was that they were

already working without reporting it. Although only 12 percent of the recipients had said they were working, 31 percent appeared on the quarterly wage earners list. "Over the course of a year, more than half of the people on welfare worked." (168) One of the women DeParle studied, Jewell, was included in that statistic.

Many of the jobs that Turner set up were "transparently dull or dumb. In the most notorious case, women were sent to sort coin-sized toys called 'pogs' into piles of different colors. When they finished, a supervisor dumped them, and the next crew started again." Faced with tedious or demeaning tasks, thousand of Milwaukee women had the same thought as Jewell: 'I ain't gonna be doing that! I'll work and get my own money!'" (168) When Angie received a work notice she looked for a job, but resisted the notion that welfare hassled her into it. "I was looking for a job anyway," she said. (171) But the rules just left her poorer, since she could no longer double-dip. All three women had worked even before welfare reform because they couldn't survive on a welfare grant. Welfare grants were always and everywhere inadequate to support a family and had to be supplemented by wages and/or family and friends.

Another reason for the decline in the rolls was that Turner's system also punished the innocent because of errors in bureaucratic paperwork. A Congressional investigation found that 44 percent of the penalties imposed on people were in error. Not everyone left for a job. "Some turned to relatives, some to boyfriends. Some were too sick, depressed, or addicted to navigate the bureaucratic chaos. Even seeking a medical exemption demands an ability to function that some people didn't possess. One of the saddest sights (DeParle) encountered in Milwaukee was that of Amber Peck, a fiftyish woman who lost her check, her apartment, and after a drug binge, her spot in a homeless shelter. "She said that while she had understood the work rules, she couldn't bring herself

to comply. 'I stay depressed all the time.' Then gripping two shopping bags filled with old clothes, she picked her way across an icy church lawn to lie on the hard, lonely floor." (169)

DeParle shows us that working was not atypical behavior for recipients, but it would have been helpful for him to cite the studies that show how typical it was before welfare reform. Some welfare scholars believe that there were as many former recipients employed before welfare reform as there were afterwards. Official records of reported work before welfare reform showed that about 70 percent of recipients left the rolls within 2 years but, because their jobs didn't pay enough to support a family and pay for health insurance and childcare, many returned to welfare. A study that tracked recipients for 10 years found that 60 percent left welfare within the first year of receiving AFDC. Half of them without a high school diploma who left welfare for a job returned within a year, while half of the women with high school diplomas who left welfare for work returned within 2 years.[7]

Welfare recipients have always been in and out of the work force, often because of their childcare responsibilities. They have traditionally used AFDC as a substitute for unemployment insurance, for which they are usually ineligible because much of their work is temporary or part-time. Some people believe that if unemployment insurance were expanded to include those low-wage workers who are not now eligible for it, it could provide a more dignified income supplement to women who would otherwise have to go on welfare. This is not likely to happen under the current administration, but at least nineteen states have already put programs on the agenda to extend either temporary disability insurance or unemployment benefits to workers with care-giving needs.

### **The Labor Market**

WHEN ASKED WHAT IT means to not be “dependent” on welfare and working, Angie replied, “I never think about shit like that! I always work, anyway. It means I be a broke motherfucker for the rest of my life!” (171) This pretty much sums up DeParle’s findings about work for unskilled black women without a high school diploma. By 2001, fifty-eight percent of employed former recipients had incomes below the poverty line. About one-third of former welfare recipients around the country had neither jobs nor welfare.

Angie, who worked as an aide at a nursing home and sometimes worked two jobs, was the only one of the three women who found emotional satisfaction in her work. The others worked only because they had to in order to support their family. Advocates of welfare reform waxed eloquent about the value of a work ethic but Angie, the only one of the three women who could be described as having a “work ethic,” earned \$7.50 an hour at back-breaking work in a nursing home industry where more than one in six nursing aides get injured each year, and where work is more dangerous than in coal mines or steel mills. By the end of 1996, the year she left welfare, Angie had worked nine months and earned \$8,200. Her income was supplemented by \$4,700 from a combined state-federal bonus of Earned Income Tax Credit.

The Earned Income Tax Credit, which had expanded at the start of the Clinton years, raised more children out of poverty in 1996 than all other government programs combined, although it provides less money to the very poor and nothing to those without money. Employers like the program because it subsidizes wages and may reduce the incentive of workers to fight for higher wages. It has functioned more to offset the decline in wages than to better workers’ conditions. In 2003, the government began an attempt to cut back the EITC through stricter eligibility requirements and investigation of claimants.

DeParle was impressed by a study of the welfare-to-work

program called *Gain in California*. This study compared six California counties, five of which had favored education and training, hoping to prepare recipients for higher-paying jobs. The sixth, Riverside County, had stressed basic job-search classes and encouraged most people to take the first jobs they could find. "After two years, Riverside had raised its participants' earnings by more than 50 percent, making the program about three times as effective as its rivals." (112) The Riverside philosophy quickly became the philosophy nationwide: work first. DeParle comments, "The idea of forsaking education in favor of "dead-end" jobs may sound cruel, and the thought can be taken too far. . . . But it's often what recipients want, at least initially." (112) Angie and Jewell had failed repeatedly in classroom settings. Yet when DeParle discusses Angie's inability to get raises or work her way up in the job, he says that she would have been helped by on-the-job training.

The economist Robert Solow analyzes the Riverside experiment more closely than did DeParle. While the Riverside experiment achieved slightly better results than the other five counties, "even the Riverside results suggest that the job prospects for former welfare recipients are pretty grim." [8] Two-thirds of the people selected for the Riverside experiment held a job at some time during the first three years of their exposure to GAIN, 10 percentage points more than the average for all six counties. "But the Riverside advantage diminished year by year and, besides, although it is big enough to be noticed it is not big enough to solve the problem." [9]

Solow also examined a study in Michigan, where the state ended a program called General Assistance in 1991. The program paid \$160 a month cash benefits to non-elderly poor adults without dependent children. A follow-up study of 426 ex-recipients found that about 65 percent of them had worked at a regular job or at casual labor at some time during the

period. Their total average earnings in the month before the survey averaged \$596 for the better educated and \$377 for the less well educated. A third of the sample never worked at all during the two years, and very few of those who worked were able to work steadily.

Solow concludes from these two studies that "the transformation of welfare into work is likely to be the transformation of welfare into unemployment and casual earnings so low as once to have been thought unacceptable for fellow citizens." He says that a decent welfare-to-work transition would require creating jobs and other supports. DeParle points out that the reason the Republican governors were willing to take on the welfare program was that Congress did not require the creation of jobs, an expense they were not willing to incur.

Solow predicted that putting large numbers of welfare recipients into low-paid jobs would depress wages on the lower end of the labor market and displace some currently employed workers by workers who will accept a lower wage. The Urban Institute estimated that the bottom one-third of the labor market would experience depressed wages. While this was never publicly discussed by the people who passed the welfare bill, it was probably one of their motivations, as well as their desire to break public service unions and to privatize welfare.

Although the law prohibits the direct substitution of welfare recipients for currently paid workers, some localities have circumvented this requirement by not renewing expired employment contracts with paid workers. In Baltimore, a thousand workers had lost jobs to welfare trainees by mid-1997, despite the fact that city workers had only two years before won a city ordinance guaranteeing a living wage to anyone employed under contracts with the city.[10] In New York City, thousands of workfare participants now do the work once done by higher-paid city workers.[11]

Solow concludes that time limits are incompatible with the substitution of work for welfare. He believes that we should go back to the notion of “packaging” “i.e., the recognition and acceptance of the fact that many welfare recipients will simply have to combine earnings and public assistance if they are to lead tolerable lives.”

### **The Old Safety Net**

No ONE LIKED THE old AFDC program, including recipients. It was stingy and demeaning, but it guaranteed low-income parents a safety net and it gave many women a safe haven from violent and undependable men. DeParle tells of Hattie Mae Reed, Jewell’s mother, who had done domestic work on the Eastland plantation. She went on welfare in 1960 and “the check gave new powers. Rather than promote ‘dependency,’ which was later seen as a major failing, its effect was the opposite: it gave her a degree of independence she had never known. To begin with, it reduced her reliance on men, so it decreased the predatory violence in her life. It also bolstered her leverage in a rigged labor market designed for exploitation. Now she had options besides chopping cotton and washing white people’s clothes.” (35-36). But she couldn’t live on welfare alone. “From the start, she juggled three sources of cash – welfare, boyfriends, and jobs – just as Jewell, Angie, and Opal would do.” (36)

The welfare check also helped many women get an education that made it possible to get a well-paid job. Whoopie Goldberg was helped by welfare. J. K. Rowling, author of the Harry Potter stories, was also helped by welfare, as were thousands of other professionals. I personally know three professors who had once received welfare. An advocacy campaign called Welfare Made a Difference collected stories of people who have been helped by welfare to establish careers. Here are two of the 27 stories that they published in their booklet:

*Carmen Arroyo, Assemblywoman, Bronx, New York: My daughter developed very bad asthma. I had to be day and night in the hospital and I could not work. I spent my savings and I had to go on welfare against my desires. They (welfare) helped me buy winter clothes for the children and protect them because they were all developing asthma.*

*Vivyan Adair, Professor, Clinton, New York: Today, I have a Ph.D. and am productively employed as a professor at a beautiful, private, liberal arts college. My happy and healthy 14-year-old daughter and I are contributing and conscientious full citizens and members of the central New York community and of the nation.*

*But my life has not always been this happy. I grew up in a poor family and as an adult found myself in an abusive and unhealthy relationship with the father of my infant daughter. Welfare provided me with the means to escape the abuse, depression and hopelessness of our life together. I would go so far as to say that pre-reform welfare saved my life. Because of the safety net that welfare provided for me when I had no one to turn to, no resources, and almost no hope, I was able to feed, clothe and house my daughter without being forced to go back to the man who had torn our lives apart so destructively. I was able to go to school so that eventually I could enter the professional workforce and lift my family out of poverty on a permanent and fulfilling basis.[12]*

*The PRWOA does not allow higher education to count as work. It allows only twelve months of vocational training. States can count more, but by 1998, 35 states did not count education and training as a work activity. Maine is the most generous with its "Parents as Partners" program that subsidizes parents to attend four-year colleges. Denying college education to parents does not bode well for their future ability to climb out of poverty. One study of six*

states found that 87 percent of recipients who graduated from two- or four-year college were still off welfare six years later. A study by the University of Wisconsin at Milwaukee found that as of 1998, only one out of six former welfare recipients in Wisconsin had a job that lifted her out of poverty. Meanwhile, the average salary of someone with a one- or two-year degree from Milwaukee Area Technical College ranged between \$20,000 and \$24,000.[13]

Since the PRWOA was passed, there has been a precipitous drop in college enrollment among welfare recipients. Enrollment of welfare recipients at City College of New York plummeted from 27,000 in 1994 to 14,000 in 1998; at Milwaukee Area Technical College in Wisconsin, the number dropped in four years from 6,455 to 274. The numbers of low-income students who attend college will drop even more now that the federal Pell grant has been cut. Nearly a quarter of low- and moderate-income college students who currently qualify for federal Pell grants will see their awards reduced or eliminated under a change in federal rules that Congress allowed in its recent spending bill.[14] Pell grants for prisoners were cut off by Congress in 1994.

The Republicans wanted to avoid the expense of creating jobs so they retained the rhetoric of work while avoiding the substance of work programs by allowing states to count people as "working" whenever they left the rolls, whether they really were working or not. They gave "caseload reduction credit" for cutting people off the rolls. "When fully phased in, the law required states to meet a work rate of 50 percent, a standard no state had ever met. But if they cut their rolls in half (as twenty states subsequently did), they wouldn't have to run a work program at all." (128) Nothing in the bill required states to provide services to anyone. "Putting people to work was a discretionary activity. The core curriculum was getting them off the rolls." (129)

But across the nation, people who stayed on the rolls had to

work or attend a job search class. DeParle described job search classes as ranging between mediocre and terrible. States used their block grants in different ways, sometimes even diverting money for programs other than welfare such as building highways or balancing the budget. Although there was a lifetime federal time limit of 5 years, some states had a shorter limit. Texas set some time limits as short as a year. Michigan and Maine set no time limits at all, using state funds for families who exhausted their federal aid. Oregon invested in casework. Most states invested in childcare, although not nearly enough to fill the need and much of it was of poor quality. Vermont helped rural recipients to buy cars to get to work, but in some states there was no way for inner-city women to get to suburban jobs, a problem Angie faced when she wanted to work at a suburban nursing home for higher wages. Massachusetts exempted recipients from work requirements until their youngest child was 6, although it later lowered this age to 2; Wisconsin required mothers to work when their child was 3 months old. (The federal bill allowed exemption from the work requirement only for mothers of children under 3 months.)

“Mississippi placed its faith in the Lord, with Governor Kirk Fordice asking churches to pick up the charity load. ‘God, not government, will be the savior of welfare recipients,’ he said.” (208) DeParle visited a catfish processing plant in the Mississippi Delta where recipients “left town at dawn on a company bus and spent their days severing fish heads in a jungle of conveyor belts and saws. The job paid the minimum wage and annual turnover ran 300 percent.” The manager observed pleasantly, “You work in the cold, you work in the wet – and of course you’re around guts.” (217) He praised the state for barring aid to anyone who quit.

“Many families got lost in the chaos – dropped from the rolls whether God proved their savior or not.” (209) Some states used harsh tactics to discourage people from applying. New

York City, under Jason Turner, forced people to attend a four-week job search program before coming on the rolls, and front-line workers made aggressive attempts to verbally dissuade people from applying.

Much of Wisconsin's W-2 program was privatized, with profit-seeking corporations invited to join nonprofits in submitting bids. State officials said this would make the program more efficient, but in fact it was an excellent case example for what's wrong with privatization. Both the private corporation, Maximus, and the non-profit organization, Goodwill, were rife with corruption. Auditors found reckless extravagance at Maximus. The director of Goodwill was using his welfare dollars as a marketing fund, spending money earmarked for client services to seek contracts in other states. These two leading players in privatization, who handled half the state's cases, "became the two leading emblems of waste and abuse." (308) Before Maximus was audited, they had received a prestigious Innovations in American Government Award, which is cosponsored by the Ford Foundation and Harvard's John F. Kennedy School of Government. Award administrators called W-2 "one of the nation's best examples of government performance." (248)

Maximus and Goodwill lost their contracts in Wisconsin. The YWCA withdrew from the W-2 program, "bleeding red ink," and another (UMOS) ran up multiple fines for casework failures. The largest remaining organization was Opportunities Industrialization Center, whose president was indicted for his alleged role in a kickback scheme. The state appointed a full-time monitor to oversee the program. "Like a gang-ridden school, Wisconsin's largest welfare agency was being run with a cop in the hall." (332)

The following year, Maximus won a \$100 million contract to run the New York City welfare program, where Jason Turner became the welfare commissioner. The city comptroller challenged the Maximus contract in court on the grounds of

*“corruption, favoritism, and cronyism,” but an appeals court upheld the contract. Turner is now a consultant, “with clients as far away as Slovakia and Israel; the latter country is setting up a version of W-2 called ‘Israel Works.’” (333)*

*Although the W-2 program promised individualized casework, it didn’t deliver. DeParle said the worse scandal was “the scandalous absence of casework. With the rolls down 90 percent, the state was collecting more than \$40,000 in federal payments for every family left on the rolls. Yet Opal had bounced between seven caseworkers at three agencies, at least two of whom had been on drugs themselves. And none of them had made the slightest difference in her life.” (308) Opal quit her job and sold her furniture to buy cocaine. She moved to a crack house and continued to get welfare until the state took her baby from her and placed it in foster care. Three of her other children were cared for by her mother, and Angie cared for one of them. With no children in her care, Opal lost her welfare check and did not follow up on DeParle’s efforts to get her into treatment. When W-2 first began, DeParle made Opal the poster girl of welfare reform in The New York Times Magazine by writing about her leaving welfare and getting a job. By the time the article hit the stands, Opal had lost her job.*

### **The New World**

*SHORTLY AFTER THE welfare bill was passed, Barbara Ehrenreich attended a conference on “welfare privatization” held in Washington, D.C. A brochure advertised the conference as an ideal setting for companies seeking to: “capitalize on the massive growth potential of the new world of welfare reform/Gain a leading edge in the market while it is in its early state/Profit from the opportunities available.”[15] The welcoming address was delivered by William Eggers of the Los Angeles-based Reason Foundation, a libertarian think tank that exists to promote the privatization of government*

services. He announced that welfare privatization is now "probably the hottest area of privatization in the country." Lockheed Martin, Electronic Data Systems (EDS), Andersen Consulting, Unisys, and a host of smaller companies were proposing to take over welfare programs. Lockheed and EDS had lobbied for the bill to contain more funds for "information technology," a specialty of high-tech, defense-oriented firms. Enforcement of the five-year time limit of the bill "will require a vast investment in technology to track individuals, through name changes and geographical moves, for decades on end – creating a veritable Foucaultian panopticon of surveillance and a growth industry for the finger-imagists and information technologists."

Ehrenreich said that Electronic Benefit Transfer cards were one of the privatizers' favorite innovations – and the theme of a World Research Group conference in April 1996. Food stamps are now distributed nationwide through these cards. DeParle mentions the computer program used in Wisconsin called Care, which workers had enormous difficulty mastering. Massachusetts uses a computer program called Beacon that has had endless bugs in it, stymieing workers, penalizing clients, and giving legal advocates a lot of work by its mistakes. It is run by a private corporation. It actually makes it harder for workers to do good casework because they are glued to the computer program as they interview clients, and they often have to call in supervisors for help in navigating the program.

Some public employees at the conference asked how these companies plan to make a profit on welfare programs. Answers were vague, but the W-2 experience gives clues, which square with Ehrenreich's speculations. "One possibility is that the firms will take their profits out of the services and allotments intended for the poor; this will be especially tempting if . . . the companies are paid solely for 'caseload reduction,' as opposed to being paid for finding long-term,

decent- paying jobs for welfare recipients. It is no great trick to achieve effective levels of 'application dissuasion' – by, for example, locating a welfare office several bus rides out of town and opening it at odd and erratic hours." Another source of profit will be to displace the present unionized workers by nonunion, corporate employees or even by machines.

By the end of DeParle's study in 1999, Angie was off welfare and still working at the nursing home but struggling to make ends meet. She said she was just "treading water." The more she worked, the more her work expenses increased. "There was bus fare, babysitting, work uniforms, and snacks from the vending machine." (283) Angie also lost her health insurance when she left welfare, although the kids remained on Medicaid. DeParle says that "absent a dramatic increase in skills, it's hard to see how she can work her way up to a significantly better standard of living." (336)

Angie was almost always depressed. One study showed that 42 percent of families on welfare met the criteria for clinical depression, more than three times the national average.[16] What some people call "laziness" in welfare recipients is actually a sign of depression. An Urban Institute study showed that almost half of parents receiving welfare either said they were in poor general health or scored low on a standard mental health scale. One-third said that their health limits their ability to work.[17]

Jewell was off welfare and working as a nurse's aide. She lost most of her food stamps after she failed to file the monthly earnings reports required of people who work. She also lost her health insurance for two years. She was hospitalized with bleeding ulcers and her wages were garnisheed to pay the bill, which she did not consider unusual. She said, "Anybody that works is gonna get their check garnisheed. Everybody in Milwaukee owes a hospital bill." She would like to become a nurse or have her own

beauty salon, but chances of that seem slim. Her lover Ken got out of prison and they are living together. Ken kicked his drug habit and had a steady job delivering pizzas. DeParle wrote Ken's story up in the New York Times Magazine as a success story.

Michael Steinborn, a dedicated caseworker at Maximus, knocked himself out trying to help desperate clients in a dysfunctional system. But dealing with clients' crises burned him out and he moved into a job trying to line up prospective employers. He and his girlfriend, the child's mother, had split up. His second child was born with severe medical problems and needed months of hospitalization. The mother felt no longer able to work with a disabled child and went on W-2. Michael felt ashamed to have his own children on welfare, but he said the checks, with his child-support payments, helped nurture their daughter to health. He said, "The irony kills me: I'm telling people this isn't the way, and my own family ends up on the system." (333)

Proponents of welfare reform argued that it would be good for the children as well as the mothers because a working mother is a good role model. DeParle saw no evidence of this in the families he studied. When he told his middle class friends about Angie working, they often asked, "Were the kids proud that she works? – taking it as an article of faith that the answer had to be yes." Angie's answer to that question was "I don't think the kids think about that. They'd like it if I'd just sit around with them all day." They ask, "Why you always at work?" (p. 321)

Angie didn't expect any of her four children to graduate from high school. After she got off welfare her children's absenteeism increased. Kesha, Redd, and Von were absent from school 26 percent of the time. Her children's childhoods "passed on a sea of boredom, dotted by landfalls of chaos." Her son Redd dropped out of school at the age of 15. He was unemployed at the age of 17 and thinking of selling drugs,

saying, "I'm tired of not having no money." (186) Thompson had put in place a Learnfare program that tried to keep kids in school by reducing the checks of families with school truants. When researchers at the University of Wisconsin-Milwaukee found that it failed to boost school attendance, Thompson attacked them as liberal ideologues and canceled their contract. (76) The right-wing ideologues who put welfare reform in place didn't want to hear any bad news. Most new initiatives that Congress passes contain provisions to study the effect of the bill, but there was no provision to study the effects of the welfare bill. It is possible that school absenteeism increased after mothers left welfare because they were not able to supervise the children.

Angie's daughter Kesha got pregnant at the age of 17 and dropped out of school. The baby's father was 14. She moved in with a 24-year-old boyfriend, and took a job as a check out clerk at a grocery store. At the age of 19 she had another baby. Kesha had to care for the younger children while Angie worked, which made it hard for her to do school work.

### **Teen Pregnancy**

ONE OF THE GOALS of welfare reform was to cut down on teen pregnancy. The arch-conservative Charles Murray, author of *Losing Ground*, believed that teen pregnancy was at the root of society's problems. When talking about overpopulation in Third World countries, President Clinton extolled the value of educating women, as women are less likely to have children when they are educated and have a future to look forward to. But he did not apply this excellent insight to women on welfare when he signed the welfare bill. While the bill requires teens to finish high school or get a GED while on welfare, it does not enable them to go on to higher education. Research has shown that the most powerful factor in the decision to delay pregnancy until later in life is an adolescent's commitment to education and a future career apart from motherhood. Teens who have high educational

expectations and school success are more likely to use contraception effectively.

The welfare bill contained a provision called the “family cap” which denied assistance to a child born after a family was on welfare. When Rutgers University researchers studied its effects, they found that it did not decrease pregnancies but it did slightly increase the abortion rate. The state of New Jersey squelched the study, fearing the wrath of the Catholic Church.

Tommy Thompson left as governor of Wisconsin to become national secretary of Health and Human Services. (He recently resigned that post after President Bush’s reelection.) “Having shown so little oversight of his own program, he gained oversight of the welfare system nationwide.” (331) And he had not improved the lives of Wisconsin welfare recipients. A study by the University of Wisconsin found that people who entered W-2 fared no better in earnings or employment than a similar group who did not. W-2 had served as a deterrent, “but for the average client, its services made no difference.” (332)

Officials triumphantly proclaimed that welfare reform was a success when the rolls dropped dramatically. Between August 1996 and September 2003 the welfare rolls shrunk 54 percent. In September 2003 there were 4,880,037 individuals receiving assistance.[18] Three million families – more than 9 million people – had left the rolls nationwide since 1996. A boom economy before the recession of 2001 accounted for some of the decline and tough sanctions and restricted eligibility accounted for a large portion, but DeParle believes that much of the decline was due to “message effects. From the TV news to waiting-room posters came the same strident message: ‘Get off the rolls!’” “Scared, angry, or simply confused, all kinds of families stopped thinking of the welfare office as a place to get help.” (210)

Whites left faster than blacks, and blacks left faster than Hispanics. By the end of the decade, blacks and Hispanics outnumbered whites by a ratio of two-to-one nationwide. (The rolls were 39 percent black, 25 percent Hispanic, and 31 percent white.) The racial composition had become what the public had always thought it was. Discrimination in the work place and by landlords accounted for part of this, but blacks were more disadvantaged in education and health, and Hispanics faced both discrimination and language difficulties. The overall poverty rate in the nation was 12.1 percent, but the poverty rate for African Americans in 2002 was 24.2 percent; for Hispanics 21.8 percent; for children 16.7 percent; for female-headed families 26.5 percent.[19] The national unemployment rate in 2002 was 5.8 percent. Among people age 16 to 19 the total rate of joblessness was 16.5 percent. The rate for African Americans in that age group was 29.8 percent, and the rate for Hispanics was 20.1 percent.[20] These figures understate the actual picture since people who have stopped looking for work are not counted in the unemployment figures.

Eligible families stopped applying for other programs, such as Medicaid and food stamps. Nationwide, about two-thirds of the adults who left welfare lost Medicaid even as the number of uninsured grew. By 2004, the government said that 45 million people had no health insurance, and Families USA said 81.8 million were without health insurance for all or part of 2002 and 2003.[21]

The 2003 report of the U.S. Conference of Mayors said that soup kitchens and food pantries are swamped. Requests for emergency assistance increased 88 percent. Forty percent of cities were unable to provide an adequate quantity of food and predicted an increase in requests in 2004. More than 12 million American families either did not have enough food or worried about someone in the family going hungry in 2003.[22]

There was a steady increase in the number of abused and

*neglected children referred to foster care between 1995 and 2001. Children whose mothers had higher income returned home more quickly than children of mothers with low incomes.[23]*

*DeParle doesn't discuss discrimination against women, which keeps women's wages at 75 percent of men's wages. Forty percent of female-headed families lived in poverty in 2002, compared to a national poverty rate of 12.1 percent.[24] Employed former recipients of welfare and recipients combining work and welfare earned, on average, between \$8,000 and \$10,800 a year in 2000.[25] As many as one in seven families who left welfare from 2000 through 2002 had no work, no spousal support, and no other government benefits. That is up from one in 10 in a 1999 study.[26]*

*In twenty-five major cities surveyed by the U.S. Conference of Mayors in 2003, the average demand for emergency shelter increased by 13 percent in a year and requests for shelter by homeless families increased by 15 percent. An average of 30 percent of the requests for emergency shelter by homeless families were unmet during the past year. People remain homeless an average of 5 months. The length of time people are homeless increased during the past year.[27]*

*In the face of facts like this, it might be more accurate to call DeParle's book *American Nightmare*. But DeParle doesn't go where his study leads him. As Frances Fox Piven says, his dislike of welfare and his fixation with the idea that work is the solution, overrides what he actually learns from his study. With the poverty rate growing every year, it takes a leap of faith for DeParle to say, "The country knows now what it didn't know a decade ago: that antipoverty policy can enjoy a measure of success." (326) He does, however, recognize that inequality is growing and the economy has given the common worker proportionally less and less. "Trading welfare checks for pay stubs, (Angie and Jewell) staked a moral claim to a greater share of the nation's prosperity." He calls for "the rudiments of a package of*

workers' aid" – health care, childcare, wage supplements, transportation aid. (327)

But he doesn't call for support for caretaking. DeParle doesn't think that caretaking is work. He refers to mothers who are not in the paid work force as "doing nothing" or as "idle." In fact, they are caring for children and that is work. DeParle quotes Daniel Patrick Moynihan as having some doubts about whether single mothers should be forced to work, but DeParle expresses no such doubts himself.

### **Ending Welfare Differently**

GWENDOLYN MINK SAYS we do indeed need to end welfare – "but as poor mothers experience it, not as middle class moralizers imagine it." [28] The Committee of 100, a group of academics that includes Gwendolyn Mink, has proposed a caretaker's allowance that would support parents in caring for children. The Wages for Housework movement, centered in Los Angeles and London, advocates the same thing.

There has been a recent spate of media coverage of middle class mothers agonizing over whether to leave their jobs and stay home with their children, including the popular sitcom "Desperate Housewives." Poor mothers don't have that choice. The double standard for middle-class mothers was revealed when Congress passed a law in 1998, two years after passing the welfare reform bill, giving tax deductions to middle class mothers who choose to stay home to care for their children. Theresa Funicello, author of *Tyranny of Kindness*, has proposed a refundable caretaker's tax credit that would provide a tax refund for caretakers of children, the aged, and the disabled. This would be a universal program that would benefit the middle class as well as the poor, and so would have more political support than the current welfare program with its high administrative costs and its abusive treatment of clients.

DeParle says that the next step in reform has to deal with the fathers. None of the children in his study had a functioning father. DeParle notes that the "marriage initiative" proposed by the Bush administration to spend \$300 a million a year of welfare money into marriage promotion efforts was met with derision by the left. Yet he says, "rather than dismiss it, why not see it and raise it one – with an equally large 'fatherhood initiative' to help inner-city men find jobs and reconnect with their kids." (p. 330) DeParle is certainly right to call for more jobs for black men, but it is not likely that any marriage initiative will increase their likelihood of getting married. Men are not likely to marry unless they have some chance of helping to support their families. William Julius Wilson points out the correlation between black men's high unemployment rate and their low marriage rate. He proposes a program similar to the WPA to create government jobs. The best marriage program is a jobs program.

Most of the men connected with Angie, Jewell, and Opal had been in prison, sometimes on drug-related charges, but DeParle does not discuss the racist criminal justice system. Human Rights Watch reports that in 11 states, black men are twelve to twenty-six times more likely to be incarcerated than white men; in Washington, D.C., those rates are 49 times greater than for whites, and many if not most of these imprisonments are drug-related.[29] Fifty-two percent of black male high school dropouts have prison records by the time they reach their early thirties.[30]

Jacob Hacker, reviewing *American Dream* for the *New Republic*, says that DeParle fails to ask if the welfare bill was what the American people wanted. By not discussing this, DeParle reinforces the general assumption that "Americans are, by and large, hostile to government attempts to address social problems and simply don't care about poverty, inequality, or hardship." [31] Hacker says that surveys showed that while

Americans wanted welfare recipients in the workforce, they were willing to spend more to help them do this. While people didn't like the much-maligned welfare system, large majorities of the American public say that government should help people who have bad luck or who cannot help themselves.

Reauthorization of the PRWOA has been debated in Congress and will soon come up for a vote. Republicans want tougher work requirements and more limitations on education and training. Democrats, along with some moderate Republicans, want increased federal money for childcare, arguing that mothers cannot be expected to work if they don't have childcare. President Bush has proposed to cut \$1 billion from TANF in his 2005 budget.

The Bush administration and a Republican Congress promise tougher times ahead for domestic programs. Even Social Security, the third rail of politics, is under attack. That will be easier to defend than any public assistance program for the poor, but the outcome is by no means certain. There are sometimes openings on the state and local levels for progressive change. Massachusetts legislators, for example, are now debating how to get health insurance for all state citizens and are proposing to create public statewide early childhood education. Welfare activists are lobbying the state legislature to preserve some of the benefits in the state welfare program that federal legislation doesn't allow.

DeParle admired Angie and Jewell for their strength and resilience. They struggled through stressful and dangerous low-wage jobs, garnisheed wages, overcrowded housing, evictions, lights shut off, children's illnesses, broken down and stolen cars, depression and bleeding ulcers, to provide for their children and to care for each other. Fannie Lou Hamer, a black welfare mother and civil rights leader, told the Democratic National Convention in 1968, "I'm sick and tired of being sick and tired." Angie and Jewell are sick and tired, but they keep on keeping on. We must do the same, for

*their sake, for the sake of millions of other people living in poverty, and for our own sake because we want to live in a more humane society. It may seem like the task of Sisyphus to roll the rock up the hill only to have it roll down again, but Albert Camus tells us that Sisyphus, a happy man, liked his job.*