

Whatever happened to welfare?

February 18, 2013

The ghost of Reagan's welfare queen still hovers over conservatives. She is black. She is a large part of Mitt Romney's 47 percent of moochers, and the "takers" that conservatives talk so much about.

Most people don't talk about welfare or know much about it, but conservatives, who also don't know much about it, use it as a threat when they seek reelection or talk about policy. Republicans, and some Democrats, declare that welfare reform was a success because it brought the rolls down and put "free loaders" back to work.

But what really happened to welfare since the welfare "reform" law in 1996 created the TANF (Temporary Assistance to Needy Families) program as a block grant to states? To discuss this, the Center for American Progress held a conference about TANF on February 7 entitled "Learning from the Past, Planning for the Future." The panel that presented their findings was chaired by Peter Edelman, Professor at Georgetown University Law School. He had worked for the Clinton Administration, and resigned in protest when Clinton signed the welfare reform legislation.

La Donna Pavetti, vice-president for family income support policy at the Center for Budget and Policy Priorities, presented findings from her study of TANF. The TANF rolls have declined since its inception. Before the 1996 law was passed, 68 percent of poor families received AFDC (Aid to Families of Dependent Children). Now only 27 percent of poor families in the nation receive TANF. Half the states have fewer than 20 percent getting TANF. Wyoming has only 4 percent of poor families receiving TANF, the lowest number of all states. The TANF benefits are less than 30 percent of the poverty level in most states (less than \$5,400 annually for a family of 3).

In 1995, AFDC kept over 2.2 million poor children from falling into deep poverty (define as below half the poverty line, or less than \$11,500 for a family of 4 today). AFDC lifted over 62 percent of poor children out of deep poverty. TANF lifted just 21 percent of children out of deep poverty, or just 650,000 kids. TANF has contributed to the number of people living in deep poverty rising from 12.6 million in 2000, to 20.4 million today. This includes over 15 million women and children (and nearly 10 percent of all children). Food stamps are increasingly the main source of income for people in deep poverty, mostly families with very young kids. There are 6 million people whose only income is food stamps. Eighty percent of food stamps recipients are working. Food stamps provide an income at a third of the poverty line, close to \$6,300 for a family of 3.

Conservatives' claim that the TANF work requirement led to huge employment gain among single mothers is bogus. While there was a significant increase in employment in the late 90s, it is largely because there was a booming economy. These gains began to decline in 2000 and have vanished today. Although the stated goal of TANF was "work first," states overall spent less than 10 percent of the funds on work. Some states spent only 1 percent. States have been spending TANF funds for a lot of other purposes, including child welfare (foster care), pregnancy prevention, and other uses. Texas spent only 5 percent of TANF funds on benefits and spent a massive amount on child welfare. The highest state has 14 per 100 recipients employed; the lowest state less than 1 per 100.

In 2010 and 2011, a subsidized job program called Way to Work placed 260,000 unemployed low-income parents and young adults in jobs. Although the program enjoyed bipartisan support from governors, House Republicans allowed the program to expire. A member of the panel, Sherine Mcghee, a former TANF recipient, said that this federally subsidized program allowed her to work

for the Coalition Against Hunger doing SNAP (food stamp) outreach and educating other mothers about nutrition. With that work experience, she was able to obtain a job as a nutrition assistant in the Philadelphia WIC program, where she has been employed for 2 years. Mcghee described her experience in applying for and receiving TANF. She waited in long lines, and was rudely treated by workers. She only received \$149 a month, not enough to live on. She couldn't have survived if she didn't live with her mother.

The federal law is very rigid about which kinds of education and training can be counted toward the work requirement. The law allows no more than two years of higher education, and that must be in a vocational program. The AFDC program had allowed parents to attend 4-year colleges, and many of those educated parents were able to get well paying jobs. Some got prestigious jobs. The mothers of President Obama and Massachusetts governor Deval Patrick had mothers who received AFDC. TANF recipients can seldom count their education as part of their work requirement. Everyone on the panel agreed that TANF should allow more education.

Throughout the nation, 60 percent of unemployed workers are unable to get unemployment insurance. Deborah Schlick, project manager of Transitions to Economic Stability at the Minnesota Department of Human Services, said that only 40 percent of Minnesota workers are able to collect unemployment insurance, so very low wage workers and their children are forced to get TANF. Minnesota is regarded as one of the "better" states in administering TANF, but only 25 percent of poor children get TANF. Grants haven't increased since 1996. More than one-half of the homeless are children in need. Minnesota has a five billion dollar deficit, and it has made cuts in TANF, including work support services.

Another member of the panel, Dr. Kristin Seefeldt, studied how women managed on TANF and wrote the book *Working After Welfare*. She said that in the late 90s, women were able to find stable jobs with decent wages. Now it is different. Jobs aren't giving that many hours and wages aren't enough to support a family. Those who try to get education are saddled with huge debt and have a hard time juggling education, jobs, and children. TANF programs that are labeled as training do not provide real training; typically they consist of training in writing a resume and an hour of telephone time looking for a job. TANF is not playing much of a role in employment. Women who are referred to a job program look at a computer 8 hours a day. Lots of women are racking up lots of debt and their credit scores are down. Jobs are worse and are low-paying. Many women who were previously doing o.k. are now poor.

Mary Anna Tilton, Associate Professor at Drexel School of Public Health, presented some of her findings from a study of TANF. Since 2002, food stamp use has increased 50 percent as people were cut off TANF. There has been an increase in hospitalization. There is an increase in child hunger. A woman who was required to do community service for TANF had to do a huge filing job. She was constantly in the emergency room with her two children, a 6-year-old and a toddler. She said, "Welfare is like a chain, keeping us down."

Case loads in TANF have decreased from 14 million in 1995 to 4 million now. There are so many hoops that people have to go through to receive TANF that many women will do anything rather than apply. Women are discouraged from using their own initiative to start a business such as hair styling, selling food, or doing nails. TANF is cut off if a woman is earning too much. Some women have businesses under the table but don't report it. There is no encouragement to make extra income. Women can't get education because they have to work.

If a state doesn't meet the federal work participation rate, it is penalized. The state's behavior is driven by work participation rate. The philosophy of TANF is work first. Letting someone get education first is wrong.

Deborah Weinstein pointed out that over 40 percent of TANF recipients are disabled. The most common disability is mental health. Some people move to SSI, but many are denied and most have a long period of waiting before they are accepted. Some live very desperate lives. Some children end up in foster care; some parents are in jail. Even those who get cash are not getting the services they need.

The federal Office of Planning, Research, and Evaluation did a study of TANF time limits, which they published in 2008.[1] Federal law gives states flexibility in setting time limits. States may set a shorter time limit, or no limit. TANF funds can be used to support 20 percent of the caseload beyond 60 months. The 60 month limit does not apply to state funds, which may be used to extend the time limit. Washington is the only state that used the full 20 percent extension rate.

States vary widely in their time limit policies, and even from welfare office to welfare office in some states. Indiana has a two-year time limit. Michigan implemented a 2-year time limit in 2007. California removes adults from the case after 5 years, but continues to provide assistance to children. New York allows people to transition to a state program that provides the same level of assistance, and sets no time limit.

Some states provide exemptions from the work requirement for certain groups of families, based on medical condition or domestic violence, or families with very young children. However, staff, frequently do not discuss these policies with recipients. Caseworkers rarely recommend the extensions allowed by law. In some states, much documentation is required to get a medical exemption.

States are not required to provide ongoing food stamps to TANF leavers.

Since the law was enacted, at least a quarter million cases have been closed due to reaching a time limit, about one-third of those in New York, which provides post-time-limit assistance. (The study was done in 2006 and 2007.) Families closed due to time limits were more likely than other cases to lack a high school education, to have never married, to be living in public housing or receiving a rent subsidy, and to be African-American.

Few people were induced to work by benefit termination.

The Deficit Reduction Act of 2005 reduced some of the flexibility provided to states. It toughened the work requirement.

In an article in the *Washington Post*,[2] Peter Edelman describes the process of cutting the welfare rolls: The techniques of radical reduction were: “shut the front door almost completely; staff the back door with the equivalent of a tough nightclub bouncer; and, in between, hassle applicants to the point where they just give up and go away.” At the back door, people are sanctioned for a variety of reasons and for no reason—“being late to a work assignment (no excuses for sick children, late buses, or car breakdowns) or didn’t show up for an appointment at the welfare office (no excuses for failure to receive notice of an appointment or inability to understand English). In some states multiple infractions of this sort can result, legally, in lifetime disqualification.”

In his book *Punishing the Poor: The Neoliberal Government of Social Insecurity*,[3] Loïc Wacquant, a Sociology professor at University of California Berkeley, has expanded the theory of the neoliberal state beyond the usual economic definition. He has linked the criminal justice system with the welfare system as two parts of the same policy of enforcing conformity to an unstable job market of temporary, part-time, low-paid, and flexible employment. Both the men in the penal system and the women in the welfare system are considered morally deficient unless they periodically provide

visible proof to the contrary. Their behaviors must be supervised and regulated. If they do not conform to rigid bureaucratic requirements, they are cast “outside the civic community of those entitled to social rights, in the case of public aid recipients, outside the society of ‘free man’ for convicts,” a kind of “social death for moral failing.”

What is to be done about women’s poverty? Gwendolyn Mink says the sorts of policies that would help low-income mothers will advance equality for all women through economic justice. She makes ten recommendations that will start us on that path:[4]

- Strengthen laws prohibiting and remedying discrimination in employment, including pay discrimination.
- Re-value work performed by women in the labor market through, for example, comparable worth policy.
- Index the minimum wage to provide a living wage.
- Provide universal, quality child care.
- Guarantee universal, quality health provision.
- Expand unemployment insurance for workers who leave or lose jobs when child care breaks down; to deal with domestic violence; or to avoid sexual harassment.
- Provide paid family leave for workers who leave employment to bear or adopt a child; care for sick family members; or assist elderly kin.
- Provide paid sick days for workers to deal with their own medical issues.
- Guarantee a caregiver’s allowance to provide an income (and economic recognition) for the work of raising children or caring for family dependents.
- Apply a caregiver’s income credit to the Social Security system’s income history and benefits calculation for retirees.

Mink says, “As policymakers confront economic issues beyond the bailout—a stimulus package and the sorry state of the social safety net—we must insist that they also confront the economic inequalities endured by women/mothers in the labor market and at home. If we can socialize capitalism to bail out financial institutions, surely we can feminize patriarchy to meet the coextensive goals of equality and economic justice.”

There are many people who are unable to work because of disability. I would add one more piece of advice to Mink’s: “Strengthen the SSI and SSDI programs (especially SSI, which is means-tested). Make it easier to get SSI and raise the grant to the level that meets basic needs. Strengthen social services for disabled people.”

Means-tested programs are subject to cutbacks, as seen in the welfare program for families, originally called ADC, Aid to Dependent Children. Conservatives are talking about means-testing Social Security. That would lead to further cutbacks. It should be strongly resisted. Franklin D. Roosevelt resisted means-testing Social Security as he knew that would make it politically vulnerable. He knew that it had to be a universal program so that it could resist political attacks. It was work-based, and at that time the majority of workers were men. Domestic workers and agricultural workers, many of whom were African-American, were not included in the program.

The ADC program was part of the 1935 Social Security Act. It was created by women who worked for the Children’s Bureau, and they believed that poor families who receive assistance should be supervised to make sure they care properly for their children. Mothers were not even included in the grant until 1950. The grants have always been small and recipients have always been closely supervised. There was no time limit until 1996, when its administration was handed over to the states, with block grants from the federal government.

Some people are advocating a Basic Income, a guaranteed income to all citizens. Except for citizenship, a basic income is entirely unconditional. Furthermore, there is no means test; the richest as well as the poorest citizens would receive it. The U.S. Basic Income Network emphasizes this absence of means testing in its definition, "The Basic Income Guarantee is an *unconditional*, government insured guarantee that all citizens will have enough income to meet their basic needs. . . . The Basic Income Guarantee (BIG) is a government ensured guarantee that no one's income will fall below the level necessary to meet their most basic needs for any reason. As Bertrand Russell put it in 1918, 'A certain small income, sufficient for necessities, should be secured for all, whether they work or not, and that a larger income should be given to those who are willing to engage in some work which the community recognizes as useful. On this basis we may build further.' Thus, with BIG no one is destitute but everyone has the positive incentive to work. BIG is an efficient, effective, and equitable solution to poverty that promotes individual freedom and leaves the beneficial aspects of a market economy in place."

In the present political climate, there is no chance of getting a Basic Income. Yet it is important to debate it and to work toward safety net provisions that are universal rather than means-tested.

Notes

1. Office of Planning, Research and Evaluation of the Administration for Children and Families, "Welfare Time Limits: An Update on State Policies, Implementation, and Effect on Families," April 15, 2008.
2. Peter Edelman and Barbara Ehrenreich, "Why welfare reform fails the recession test," *Washington Post*, December 6, 2009.
3. Loïc Wacquant, *Punishing the Poor: The Neoliberal Government of Social Insecurity*, Durham, NC: Duke University Press, 2009.
4. Gwendolyn Mink, "Women's Work, Mother's Poverty: are men's wages the best cure for women's economic insecurity?" Keynote, Women and Society conference, October 24, 2008.

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