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# The Missing Safety Net and Families: A Progressive Critique of the New Welfare Legislation

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*This is an overview essay on the 1996 welfare legislation and its consequences. The paper is divided into five parts: (1) The basic elements of the legislation; (2) The conservative assumptions undergirding this legislation and the progressive responses to them; (3) The consequences of the legislation for individuals and families; (4) The missing elements in the new welfare legislation; and (5) The progressive solution to welfare.*

From 1935 to 1996 the United States had a minimal welfare program for those in need. Since the Reagan administration this welfare program has gradually been dismantled. This dismemberment accelerated in 1996 when the federal government made welfare assistance to families temporary and withdrew \$55 billion of federal aid to poor people. Thus, the federal safety net under the poor has been shredded especially for poor families with children (Schorr, 1997: 163). This is an overview essay, drawing together the current information on the general and family-specific consequences resulting from the recent welfare legislation. It is divided into five parts: (1) the basic elements of the 1996 welfare legislation; (2) the conservative assumptions guiding that legislation and the progressive response; (3) the consequences of the legislation for individuals and families; (4) the missing elements

in the new welfare legislation; and (5) the progressive solution to welfare.

### THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY ACT OF 1996

The welfare system prior to 1996 needed an overhaul. Its provisions encouraged dependency since recipients leaving welfare lost medicaid. It provided disincentives to work because money earned was subtracted from welfare payments. By leaving the distribution of benefits for many programs to the states, there were wide disparities in benefits by geographical location. And, the benefits provided were never enough to lift people out of poverty. The welfare system, however, did help many on the economic margins to get above the poverty line. A study by the Center on Budget and Policy Priorities found that

without such assistance, 57.6 million people would have been poor in 1995. "But when government benefits are counted, including food stamps, housing assistance, school lunch support and benefits provided through the earned-income tax credit, *the number of poor people drops to 30.3 million*" (emphasis added). (Reported in Herbert, 1996: 68A)

While this difference is certainly meaningful, the government could do much better. For example, France and the United States both would have child poverty rates of about 25 percent if it were not for government assistance. With the generous government assistance provided in France, the child poverty rate is reduced to just 6.5 percent. The minimal U. S. welfare program, on the other hand, reduces the child poverty rate to about 21 percent (Raspberry, 1997).

In 1996 the Republican-dominated Congress and a middle-of-the-road Democratic president passed a sweeping welfare law that *ended the 61-year old safety net for poor people, completing the Reagan Revolution* (Watts, 1997: 409; Sciacchitano, 1999). The major provisions of this law (as later amended) include the following (much of the description of the new welfare law and its consequences are from the Children's Defense Fund, 1997: Edelman, 1997; Schorr, 1997; Watts, 1997; and Eitzen, 1996): First,

the law eliminated Aid to Families with Dependent Children (AFDC), setting up a temporary program in its place. Second, states, through federal block grants, were given a fixed sum of money and considerable flexibility in how to spend it. Third, the law insisted on work. States were required to demand that parents work within two years of receiving cash assistance, although states had the right to shorten the period before recipients must work. Fourth, the law mandated a five-year lifetime limit on the receipt of assistance, which states can reduce if they wish. Fifth, the law required that unmarried teen parents must live with an adult and attend school to receive assistance. Sixth, various federal assistance programs targeted for the poor were cut by \$54.5 billion over six years. Included in these budget cuts were \$27 billion from the food stamp program, \$7 billion from the children's portion of the Supplemental Security Income program, and \$3 billion over six years for child nutrition, and federal funding for social services was cut by a six-year total of \$2.5 billion. Cuts were also made by tightening the qualifying criteria for being defined as a disabled child. Ironically, the narrowed eligibility requirements "result in the loss of coverage for some children who if they were adults would be considered disabled" (Edelman, 1997: 48). Seventh, the welfare law denied a broad range of public benefits to legal immigrants. Concerning this last point, although there is some variation from state to state (since the states administer the programs), all legal immigrants were cut off from food stamps and those who entered the country after the welfare bill was signed were ineligible for federal programs such as Supplemental Security Income and state run programs such as temporary welfare and Medicaid. And, eighth, the federal money given to the states was capped at \$16.4 billion annually. This is significant because it means that there is no adjustment for inflation or population growth. In effect, by 2002 states will have considerably less federal money to spend on welfare than they did under the old welfare provisions.

In sum, this new welfare legislation ended the entitlement which guaranteed that states must give help to all needy families with children (Quadagno, 1999). Now assistance for poor families was temporary with parents required to work. Lamenting the

passage of the 1996 Welfare Act, *The Nation* editorialized: "There is now a bipartisan agreement that the United States bears no responsibility for its poorest families" (*The Nation*, 1995: 371).

#### THE CONSERVATIVE ASSUMPTIONS GUIDING CURRENT WELFARE POLICY AND THE PROGRESSIVE RESPONSE

Assumptions from conservative ideology provide the bedrock of the 1996 Welfare Law (Sciacchitano, 1999). First, there is the conservative assumption that welfare programs establish perverse incentives that keep the beneficiaries from working and to have babies outside of marriage. That is, welfare is so generous that it makes sense to stay on welfare, rather than go to work. Moreover, since the benefits increase with each child, women on welfare make the rational decision to have more children. Progressives argue that this reasoning is fallacious because it ignores five facts: (1) The average monthly AFDC payment, accounting for inflation, has withered by almost 50 percent since 1970, yet the birth rate for unmarried mothers has soared during this period; (2) The average monthly AFDC payment plus food stamps provides benefits that are much below the poverty line; (3) States with low welfare benefits have higher illegitimacy rates than states with higher welfare benefits; (4) New Jersey's 1993 law that ended the practice of increasing a welfare check when a recipient had another baby did *not* drive down birth rates among women on welfare (Healy, 1997); and (5) The much more generous welfare states of Canada, western Europe, and Scandinavia have much lower out-of-wedlock birth rates than found in the United States.

A second assumption of the lawmakers is that when poor people are confronted with a "sink or swim" world they will develop the determination and the skill to stay afloat (Murray, 1984). By shoving welfare recipients off of the dole, their only recourse will be to work, resulting in productive rather than parasitic people. Progressives, however, note that under current societal conditions many of the poor will "sink" even if they wanted to "swim." There are not enough jobs and many of the jobs that are available do not lift poor people out of poverty. And, many who are being pushed "into the pool" cannot "swim" because they lack the skills and experience required.

Third, there is a moral condemnation of those on welfare because their poverty is assumed by conservatives the result of their attitude, their way of life, and their choice to reject the work ethic. Progressives argue, to the contrary, that the problem for most welfare recipients is not the lack of a work ethic but a lack of jobs that pay enough to enable them to become independent (Handler and Hasenfeld, 1997: 12; for empirical invalidation of the culture of poverty argument of the conservatives see, for example, Edin and Lein, 1997). Moreover, they see a tendency on the part of the conservatives to reserve this moral condemnation of poor people “for those who are not only poor but different—in terms of race, ethnicity, country of origin, or religion—or who violate patriarchal norms” (Handler and Hasenfeld, 1997: 9).

Progressives argue that the willingness to work on the part of poor people is not the problem. Research from a number of studies shows that most welfare recipients do work, bringing in extra money from various activities such as house cleaning, doing laundry, repairing clothing, child care, and selling items that they have made. For example, sociologist Kathleen Harris, summarizing her findings from a nationally representative sample of single mothers who received welfare, says:

I found exclusive dependence on welfare to be rare. More than half of the single mothers whom I studied worked while they were on welfare, and two-thirds left the welfare rolls when they could support themselves with jobs. However, more than half (57 percent) of the women who worked their way off public assistance later returned because their jobs ended or they still could not make ends meet. (Harris, 1996: B7)

This outside work to supplement welfare is necessary because welfare payments are insufficient to make ends meet. In 1991, for example, the average AFDC payment and food stamps averaged \$565 a month, while the average monthly expenses were \$876—a deficit of \$311 (Koretz, 1996). In Mississippi, for example, the benefits for years have been only 17 percent of the poverty line and with food stamps added, only 40 percent of the poverty line (Edelman, 1999). This difference is made up through various strategies including income-producing work and help from family, friends, neighbors, boyfriends, and absent fathers.

A question arising from the requirement that all welfare recipients work is whether a single mother is “able” to work (McLarin, 1995). Traditionally, she was not considered so. AFDC was created in 1935 with the goal of keeping women at home with their children. The new legislation has changed that, forcing poor women with children to work, often without the training, sometimes without the jobs, and usually without the child care. Through twisted logic, many of the same politicians who want poor mothers to work, want middle-class mothers to give up their jobs because a stay-at-home mother is positive for children.

Another issue regarding work has to do with its availability. During the Great Depression the federal government provided jobs for poor people. These jobs included the construction of roads, bridges, and buildings, clearing forests, planting trees to stop wind erosion, and the like. The jobs provided society with important projects and needy individuals and families with income and skill development. The situation is different now. The new legislation mandates that poor people will work but *without* providing the jobs.

This punitive overhaul [of the welfare system] sends [welfare recipients] off on their own to secure work in a world of downsizing, layoffs and capital flight. Where are the welfare recipients going to find stable jobs? How can they pay for health insurance and child care when they earn the minimum wage? What will happen to their children? (*The Nation*, 1995: 372)

Fourth, welfare dependency is assumed by conservatives to be the source of illegitimacy, laziness, crime, and other social pathologies. Progressives, however, point to the nations with a much more generous welfare system than in the United States, noting that cities in those countries are much safer, and that violent crime is very much lower than in the United States, as is the rate of teenage pregnancy. Also, from 1970 to the mid-1990s AFDC benefits declined sharply (from \$792 per month in inflation-adjusted 1994 dollars in 1970 for a family of four to \$435 per month in 1994. If welfare benefits affect marriage and fertility, then one would expect that the drop in welfare benefits would have made marriage more attractive and childbearing outside of marriage less attractive. “Yet divorce, cohabitation,

and the percentage of births that occurred outside of marriage all increased during this period" (Cherlin, 1998: 124).

Most important, progressives argue that when welfare is seen as the cause of societal ills, the remedy is to get rid of welfare rather than confronting the structural sources of poverty. The causes of poverty are complex, involving the structural inequalities of class, race, and gender, the changing economy, the lack of good jobs, the maldistribution of resources for schools, and inadequate pay and benefits for low-end jobs. All of these conditions occur within the ideology and practice of capitalism, which celebrates competition, selfishness, domination, and exploitation. Thus, a cure for poverty involves much more than greater individual effort and getting rid of the welfare system. It requires structural changes in society.

Finally, there is a racial subtext in the welfare legislation. Underlying the debate on welfare, were the dominant but erroneous notions about certain groups, their families, and the women who seek public funds and services to support and maintain families. The conservative ideology posits that these groups have no claim to these resources because they do not conform to traditional family values. Fueling this assumption is the false belief that African American women dominate the welfare rolls. Similarly, "negative images of Latinos and other immigrants fueled debates in the states and paved the way for denying benefits to legal immigrants nationwide" (Dill, Baca Zinn, and Patton, 1998: 21).

The conservative response, in short, is that the welfare state is bad and should be eliminated. But just what is it that the policy-makers are in the process of killing off? What will its death mean for society? The U. S. welfare state, which is the most modest of the industrialized nations, emerged in the 1930s as a reaction to the instability of the Great Depression and capitalism run amuck (the following is from Moberg, 1995). Motivated by a fear of radical unrest by the economically disadvantaged and disaffected and the need to save capitalism from its own self-destructive tendencies (economic instability, rape of the environment, worker exploitation, lack of worker and consumer safety), the creators of the New Deal under Roosevelt and the Great Society under Johnson instituted Social Security, the minimum wage, federal aid to education, health and nutrition programs, subsidized housing,



and Aid to Families with Dependent Children. These welfare programs go too far, say the conservatives. Progressives, on the other hand, argue that they do not go far enough.

### THE CONSEQUENCES OF THE 1996 WELFARE LEGISLATION FOR INDIVIDUALS AND FAMILIES

Although the time is relatively short since the 1996 welfare legislation, we can examine some preliminary results and anticipate its longer term effects. As of September 1998, the welfare rolls had declined from 12.2 million to about 8 million since the enactment of the welfare legislation. This dramatic reduction has led supporters of the new welfare law to declare that the new law was working as intended. This interpretation is erroneous for at least four reasons. To begin, those who left the welfare rolls first were likely the easiest to place in jobs, that is, they have some secondary education and job experience. But, while the bulk of these former welfare recipients found work, their work, typically, offered little room for advancement and a high risk of being laid off (Burtless, 1998). Most important, the wages were usually too meager to lift them out of poverty (Albelda, 1999). The Children's Defense Fund and the National Coalition for the Homeless found that for those who recently left welfare only 29 percent had wages above the poverty line and 51 percent had wages that did not even reach 75 percent of the poverty level (reported in Jackson, 1999). The much more difficult task will be to find jobs for those who have multiple obstacles to success (relatively uneducated, inadequate work experience or job skills, or who are functionally disabled). Second, the welfare legislation was passed at a propitious historical moment—during an economic expansion when jobs were being created and unemployment was low. Two years later the unemployment rate had dropped to 4.3 percent, the lowest rate in 27 years. Because of a growing economy the number of AFDC recipients declined by 2.2 million in the 30 months *before* the 1996 legislation (DeParle, 1997a; Wolf, 1998b).

But even with the booming economy and many still receiving welfare because their time limits had not been reached, there are reports of rising rates of hunger and homelessness (*Population Today*, 1999). The U. S. Conference of Mayors collected data from

30 major cities from November 1, 1997 to October 31, 1998 and found that 78 percent of the cities had an increase in the number of requests for emergency food assistance and 84 percent reported an increase in the number of families with children who requested emergency food assistance (United States Conference of Mayors, 1998). These requests were 16 percent higher than in the previous year (the largest increase since 1992)(reported in Loven, 1998). Another survey by Second Harvest, the nation's largest network of food banks, found that more than 21 million people used emergency food programs in 1997, 40 percent of whom came from working households (reported in Wolf, 1998a). Low-cost housing has also become more scarce because of gentrification, soaring housing prices, and the reduction in subsidized apartments. As a result the Department of Housing and Urban Development revealed that a record 5.3 million families with low incomes face a crisis of unaffordable rent—defined as rents exceeding 30 percent of one's income (Associated Press, 1998). The U. S. Conference on Mayors reported that in 1998 there was an 11 percent increase in emergency shelter demands over the previous year in the 30 cities surveyed (reported in Ratnesar, 1999).

These realities raise serious questions about job availability, hunger, and homelessness, when the unemployment rate goes up to seven or eight percent, or worse, when there is an economic recession. In either situation there will be layoffs, which means that the last to be hired (the workers only recently off welfare) will be the first to be fired. If these former employees had used up their time limits for welfare, they will be on their own without a safety net with nowhere to turn for rent, utilities, food, and health care.

Third, the availability of low end jobs is distributed unevenly. Some social categories have more difficulty getting low-wage employment than others. "Not surprisingly, in the fierce competition for jobs in that sector, individuals who are young, black and non-college educated fare the worst" (Herbert, 1997: 70A). When the unemployment rate was 5.2 percent in 1996, unemployment among young African American women (ages 15 to 25 with a high school diploma was 19.7 percent (Economic Policy Report, cited in Herbert, 1997).

Work by itself is not the solution. Latino women and men participate in the labor force at nearly the same rate as Whites

(66.5 percent compared to 67.2 percent (U. S. Department of Labor, 1997), yet the poverty rate in 1996 for Latinos was 29.4 percent, compared to 11.2 percent for Whites (Dill et al., 1998). Moreover, 10 percent of poor people worked year-round, full-time in 1996. Underscoring one of the above points: working for the minimum wage, which most former welfare recipients do, gives a full-time worker an annual income that is more than \$2000 *below* the poverty line for a family of three. Obviously, then, it takes adequately compensated work to climb out of poverty, a provision missing from the welfare legislation.

The 1996 legislation was especially harsh to immigrant families (Cherlin, 1998; Eisinger, 1998), who are mostly people of color. New legal immigrants, except for those of refugee status, are now ineligible for Temporary Assistance to Needy Families (the mechanism that replaced AFDC), food stamps, and most other federally funded benefits until they become citizens, which takes a minimum of five years. Under these conditions, it seems more than reasonable to assume that hundreds of thousands of immigrant families will be pushed into poverty by the provisions of the 1996 welfare legislation.

Regarding marriage Stephanie Aaronson and Heidi Hartmann conclude that the "preponderance of research suggests that welfare has no impact on women's marital and childbearing behavior. .."(Aaronson and Hartmann, 1996: 586). Poverty, on the other hand, does. After reviewing the literature, family historian Stephanie Coontz summarizes what previous research predicts:

Poor couples are twice as likely to divorce as more affluent ones. Jobless individuals are three to four times less likely to marry. And teens who live in areas of high unemployment and inferior school systems are six to seven times more likely to become unwed parents than more fortunate teens. Dozens of research studies show that the most effective deterrent to early childbearing is access to, among other things, good schools and steady jobs (Coontz, 1994: 19).

The recent welfare legislation is going to put more children at risk as they and their mothers no longer receive AFDC, food stamps, and other welfare benefits. Many of their mothers will now work at minimum wage jobs with new expenses (transportation, child care, and clothing), and likely no health insurance.

And, we know that many who work will not escape poverty. Columbia University's National Center for Children in Poverty, reported, for example, that in 1996 some 5.5 million children lived in poverty and 63 percent of them lived in families with at least one working parent (reported in Healy, 1998). Many of their mothers are difficult to employ because they suffer disproportionately from mental health problems and they often lack quality education and work experience. Thus, many former mothers on welfare will likely be unemployed *and* without the safety net after two years. Clearly, without raising the minimum wage, providing training programs, guaranteeing work, and subsidizing child care, more children will be raised in poverty under the new welfare rules. Daniel Lichter's review of children in poverty shows that *before* the 1996 welfare legislation went into effect, the rate of child poverty was at a 30-year high, and the income gap between rich and poor children greater than at any time in recent memory (Lichter, 1997: 141). It is obvious that the new welfare legislation will increase the child poverty rate and the income inequality gap. The Urban Institute estimates that an additional 1.1 million children would become poor as a result of the 1996 legislation (The Urban Institute, 1996; see also Albelda and Tilly, 1997: 127). Moreover, more than eight million families with children would lose an average of \$1,300 per family (cited in Edelman, 1997: 46). Thus, more children than ever will be further impoverished, which will have serious debilitating consequences for them (for documentation of the later life outcomes of childhood poverty see Duncan and Brooks-Gunn, 1997).

We ask: Is it appropriate to take \$28 billion over six years in food assistance from poor women and their children? As Marian Wright Edelman has stated: "The elimination of the national guarantee to protect children is a moral outrage . . . a massive betrayal that places the lives of many of our youngest and most vulnerable citizens in grave danger" (Edelman, 1996: 1).

#### WHAT IS MISSING IN THE NEW WELFARE LEGISLATION

Foremost, the legislation ignored the conclusions of social science research (Astone, 1997). This research documents, for example, that 70 percent of ADFC recipients leave welfare within

two years. We also know that nearly three-fourths of those who leave end up back on welfare because of inadequate pay, the lack of medical benefits, or their lack of job skills. Only 15 percent of recipients stay on welfare continuously for five years or more. Social science research also informs us of the detrimental effects of poverty on marriage relationships, the increased probability of spouse and child abuse, and the dismal future for many children of the poor.

Second, while focusing on the replacement of work for welfare, there is no provision for jobs and if one finds work there is no assistance for transportation (two-thirds of all new jobs are in the suburbs, while three-quarters of welfare recipients live in central cities or rural areas; just one in 20 welfare recipients owns a car, Bailey, 1997); and there is no child care subsidy or provision of high level day care for the children of working parents. Moreover, this law contains no provisions requiring the states to provide educational or job-training programs for those displaced from welfare. Especially hard hit are women. Without education:

women's wages will not grow, and without growth in their wages, welfare mothers will never be able to afford child care or health care. . . . Eliminating welfare without improving the pay and benefits of the jobs they can get—or improving their ability to get better jobs—can have only one result: an increase in poverty among women and children. (Harris, 1996: B7)

The 1996 welfare legislation assumes that jobs are uniformly available. But the availability of low-wage, entry-level jobs depends on time and place. Some regions (e.g., the coal mining region in Appalachia), states such as California and cities such as New York City have to overcome a mismatch—huge numbers on welfare and relatively few jobs. In New York City, for example, the ratio of welfare recipients to jobs is four times the national average. From 1992 to 1996 in that city there was a net gain of only 88,000 jobs. “At that slow rate of growth, if every job gained by the local economy were given to a New Yorker now on welfare it would take 21 years for all 470,000 adults to be absorbed into the economy” (Finder, 1996: 17). Similarly, by mid-1999 when most welfare recipients will be forced to find some type of work, Detroit expects a shortfall of 75,303 jobs and Philadelphia will

fall 53,400 jobs short (Associated Press, 1997). There are many pockets of rural poverty where jobs are few and poverty high. In East Carroll Parish, Louisiana, for example, 55 percent of the residents live below the poverty line, the unemployment rate is three times the national average, and the median household income is less than one-third the median for the country. There is no industry other than farming (Kelly, 1996). Nearby in the eleven delta counties of Mississippi, the poverty rate is 41 percent and unemployment more than double the national rate. Frank Howell of Mississippi State University has estimated that for every 254 families leaving welfare in those counties only one new job will be created (cited in DeParle, 1997). Or consider the case of California, where the state's economy is generating 300,000 jobs a year (many of which are high tech jobs not suitable for the underschooled and undertrained), which is insufficient for the 1 million current welfare recipients who have to be moved into a job market and where 2 million people not on welfare are currently looking for jobs and another half-million part-timers want more work (*USA Today*, 1997).

A major concern with the welfare legislation is that by pushing the poor into an already crowded workforce, wages for low-end jobs will be driven down. This hurts those leaving welfare as well as the working poor. There are 38 million working poor who receive \$7.50 or less an hour for work and usually have no health insurance. What will happen to their wages and jobs when 4 million people (50 percent of all adults on welfare assistance) are added to the workforce by 2000, as mandated by the law? Employers are prohibited from firing existing workers to hire welfare recipients whose compensation is subsidized by the state. But employers can reduce working hours, wages, and benefits for existing workers, a likely occurrence. The plight of the working poor, always marginal, thus, becomes worse because of welfare reform. Researchers at the Economic Policy Institute estimate that with the addition of one million new low-wage workers the income of the bottom 30 percent of earners will be reduced on average by 11.9 percent. This drop in wages will be even more severe in those states and localities with large numbers of people on welfare (McCrate, 1997; Street, 1998). This has at least three additional negative consequences. First, it weakens those labor

unions that organize low-pay workers such as janitors, municipal workers, and food handlers. This weakness reinforces low wages and minimal benefits for the economically marginal. Second, the anger of the working poor, most likely, will be directed at the former welfare recipients, not the economic system that limits their opportunities and exploits them. Third, and related to the second, the anger of the working poor will likely be overtly racist as the working poor perceive their economic situation reduced by racial minorities and immigrants who they believe are the majority of welfare recipients (a belief that is false, by the way, as 56 percent of first-time female-headed welfare recipients from 1990 to 1992 were White; Center on Social Welfare Policy and Law, 1996: 28).

The third missing ingredient in the new welfare legislation is an understanding of the structural sources of poverty and meeting the challenges of a rapidly changing economy.

Fourth, the legislation offers no safety net for the people who are unable to find jobs or who are not able to get their children into day care. When the economy slows down, as it inevitably will, many of the working poor and former welfare recipients will lose their jobs. What will happen to them when they cannot pay their rents or house payments, or their utility bills, or medical bills? Under the previous welfare system, many families were just a lost job, divorce, medical disaster, or rent hike away from losing their housing. The fastest growing category of homeless during the late 1980s and early 1990s were families (Timmer, Eitzen, and Talley, 1994). Under the new welfare law, and especially when society experiences an economic downturn, increasing numbers of families will have to move into substandard housing or even into homeless shelters. According to Peter Edelman:

There will be suffering. Some of the damage will be obvious—more homelessness, for example, with more demand on already strapped shelters and soup kitchens. The ensuing problems will also appear as increases in the incidence of other problems, directly but perhaps not provably owing to the impact of the welfare bill. There will be more malnutrition and more crime, increased infant mortality, and increased drug and alcohol abuse. There will be increased family violence and abuse against children and women, and a consequent significant spillover of the problem into the already

overloaded child-welfare system and battered-women's shelters. (Edelman, 1997: 53)

To illustrate addressing just the issue of welfare's effect on crime rates, Hannon and Defronzo (1998) found that higher levels of welfare assistance *reduce* the strength of the positive relationship between the size of the disadvantaged population and crime rates (for the theoretical understanding of this effect see Messner and Rosenfeld, 1997).

Fifth, a major concern with the 1996 welfare legislation is the abdication of federal responsibility for welfare. By turning over welfare to the states, there are fifty welfare programs. This devolution has the effect of making benefits very uneven as some states will be relatively generous and others will be much less so. Tufts University's Center on Hunger and Poverty surveyed the fifty states to study the implementation of federal welfare reform. The study found that only fourteen states had revamped their systems in such a way as to likely improve the financial condition of the poor. Two-thirds of the states actually made changes that threaten even greater poverty (reported in *The Nation*, 1998). States' rights have not always worked in the past. "States failed in the past to take the lead in trying to end racial discrimination or to alleviate unemployment and poverty. That's why the country need the New Deal, civil rights legislation, and social welfare programs . . ." (Hettleman, 1997: 24; see also Schlesinger, quoted in Shanker, 1995: E7).

Moreover, the federal block grants do not reflect economic reality, since they do not adjust for inflation, for economic change, or for demographics (Primus, 1997: 20). This oversight ensures that the spending on poor people will not only vary by state but that the amount will be increasingly inadequate.

Sixth, the welfare legislation does not protect children of poor parents. How are they to escape poverty without adequate supports for their health and education?

Seventh, the welfare legislation did not address the real issue—ending poverty.

Many of us had assumed that welfare reform was fueled by a desire to eliminate poverty. This is not the case. Under the new law, welfare is seen as an issue in and of itself, divorced from issues



of poverty. *Ending welfare had nothing to do with addressing poverty.* (Watts, 1997: 412)

### THE SOLUTION

Is the answer to these poverty-related problems a more feeble welfare system or a more robust one? In our view the only way to help poor people is to spend more money, not less as the government has done since the Reagan administration (Wellstone and Dauster, 1999). This money would be spent on helping people with child care, increasing the minimum wage, providing job training and education programs, universal health care (at present we provide some health care for the poor through Medicaid, but do not help the working poor—clearly, a perverse incentive system), guaranteeing jobs, and reducing the tax burden on the poor who are trying to work their way out of poverty. In Wisconsin, for example, the welfare rolls have been cut by 65 percent over ten years. This effort to get people working rather than on welfare has cost the state more, not less for health care, child care, transportation, and training. In 1987, for instance, Wisconsin spent \$12 million a year on child care. By 1998, it was spending \$180 million annually (Dionne, 1997).

Is there a way to restructure the welfare system to apportion money and services more fairly to the needy? Is there a way to move people away from welfare dependency and toward autonomy, responsibility, and self-sufficiency? Is there a way to strengthen families on the economic margins? Is there a way to protect the children of the impoverished? Is there a way to meet the needs of the working poor as well poor people? Is there a way to structure such a federal program so that it attacks the causes of poverty, not the symptoms? An editorial in *In These Times* provides the progressive solution to these important questions:

Welfare as we know it should surely be ended. But it should be ended in a way that provides every person capable of working with an equal right to employment, and everyone who is employed with a living wage. In the long run, that would also require equal educational opportunity for all at all levels of instruction, universal health care and quality child care for working mothers. Such a program should be federally mandated and funded, but administered by the states or by elected community councils. And it should be available

to all citizens and legal residents up to a comfortable income level, and paid for by graduated income taxes on those above that level. (In *These Times*, 1996: 2; see also Edelman, 1997)

The current political climate (from both political parties and much of the public) runs counter to these proposals. Instead of a society that emphasizes community, cooperation, equality of opportunity, and fundamental human rights, the politico-economic system of the United States celebrates individualism, competition, and domination. The vast majority of political leaders and their constituents oppose increasing the minimum wage to a living wage, universal health care, and an adequate safety net for poor people. Thus, to eliminate poverty its roots in the market economy must be eliminated.

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