

THE PUBLIC AGENDA FOUNDATION



April 17, 1996

*File
Welfare
Reform*

Mrs. Margaret A. Williams
Chief of Staff to Mrs. Clinton
The White House
Washington, DC 20500

Dear Mrs. Williams:

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Much has been written and said about welfare reform. To learn more about Americans' views on this issue and to understand the reasoning behind their thinking, Public Agenda recently undertook a survey on welfare reform. The result of this research is *The Values We Live By: What Americans Want From Welfare Reform* and I have enclosed a copy for your review. This study will be released to the media on April 24th.

The public's views are complex and multi-layered, and neither conservatives nor liberals will find hearty endorsements of their position. What is unquestionable, however, is the degree of anger people feel toward a system which in their minds undermines the very values they most cherish. Even if government could provide the current system at far less cost and with no fraud whatsoever, people would continue to be angry. Americans resent being asked to support a system which, in their view, rewards individuals for not working, while it fosters long-term idleness and complacency.

Americans believe strongly in the centrality of work, responsibility and self-discipline in their lives, and want the centerpiece of any reform to reinforce these values. They exempt practically no one from the requirement to work -- not a mother with small children nor a mentally or physically handicapped recipient. Eighty-five percent of Americans say, "If welfare recipients were required to do something in exchange for their benefits -- even if it was just raking leaves or cleaning roads -- I would be satisfied."

Simultaneously, the belief in a safety net for those truly in need remains strong among Americans with only 4% saying welfare should be eliminated altogether. But Americans across all demographic categories feel welfare as it now stands is fundamentally misguided; the values and lifestyle it promotes are unacceptable; work should be the key goal of reform; and change should be comprehensive, not piecemeal.

Sincerely,

Deborah Wadsworth
Executive Director

THE VALUES WE LIVE BY: What Americans Want From Welfare Reform

Finding One: Americans Are Deeply Frustrated and Offended by Welfare, but Reducing the Cost to Taxpayers Will Not Eliminate Their Resentment

An overwhelming percentage of Americans believe welfare is badly flawed and urgently in need of overhaul. Even among Americans from households receiving welfare benefits, only a handful think welfare should be left as it stands. While the cost of welfare bothers Americans, most say that is not their fundamental concern. Instead, the public worries that welfare promotes the wrong lifestyle and values.

Finding Two: Americans Are Angry about Welfare Fraud, but Even If Fraud Were Eliminated, They Would Still Resent the System

Welfare fraud is an immediate and vexing concern to a substantial majority of Americans, but like the cost issues, it is not what they consider the preeminent problem. Strong majorities take welfare cheating seriously and favor a proposal to pay surprise visits to welfare recipients to make sure they deserve their benefits. Even respondents from households receiving welfare benefits subscribe to these views by sizable majorities. But most Americans do not believe that welfare programs suffer from more fraud than other government programs. They are more troubled by those who abuse the system by staying on it too long than by people who cheat. If all welfare reform accomplished were to squeeze fraud out of the system, most Americans say they would still be dissatisfied.

Finding Three: Americans are Outraged by Welfare Because They Believe It Fosters an Addictive and Self-Destructive Lifestyle that Mocks the Values They Live By

Americans are morally indignant that while they struggle and work hard, welfare recipients are spared these pressures. A large majority of Americans thinks welfare recipients stay on the rolls too long and do not try hard enough to get off. Moreover, they are frustrated with the incentives and results of the welfare system. They believe welfare is addictive and passed on from generation to generation. They believe it encourages recipients not to work and undermines their work ethic. And welfare, according to most Americans, fosters the wrong values. These impressions seem based on more than media images. Most Americans say they have personally seen someone abusing the welfare system.

Finding Four: Even Though Americans Are Deeply Offended by the Current System, They Still Want the Government to Help Those in Need

Although Americans are outraged by how welfare works and the values it promotes, very few would eliminate welfare altogether. In fact, many believe welfare has done some good for the poor; and most believe government has a role to play in protecting the economic well being of the needy. When the study presented respondents with nine hypothetical welfare applicants from different circumstances — ranging from a physically and mentally handicapped man from a poor family, to a single mother who quit her job because of a lack of health benefits — majorities said they would grant eight of them welfare benefits. But while Americans want a safety net to catch people beaten down by tough times, they want it to be a temporary intervention that allows people to catch their breath and jump back into the fray. Most think welfare has utterly failed in this regard.

Finding Five: Americans Want a Welfare System That Requires Work from the Very Beginning — Community Service for Anyone Receiving Benefits and a Transition to Paying Jobs as Quickly as Possible

Americans strongly believe that welfare recipients should work and would exempt practically no one from this requirement. A majority think welfare recipients— even a mentally and physically handicapped recipient— should be required to do community service in exchange for benefits. Most Americans hope recipients will become workers who pay taxes, and a large majority would require job training and education programs to help make this happen. But while a majority would invest time and money to retrain recent welfare applicants for quality jobs, a majority would also push long-term welfare recipients to work as quickly as possible, even in menial jobs. These findings are consistent, with little variation across respondents from different demographic backgrounds.

Finding Six: Americans Believe That Mothers on Welfare Should Work — Just Like Other Recipients and Mothers in Most Working Families

The value Americans place on work carries over to mothers on welfare. A strong majority do not think welfare mothers should be allowed to stay home and care for their children. While the public would grant benefits to mothers applying for welfare — including those who have children out of wedlock — strong majorities would also require them to perform community service in exchange for their benefits and to enroll in job training and education programs. To make all of this feasible, the public would add child care benefits. These findings consistently hold true for all respondents, regardless of demographic differences.

Finding Seven: Americans Support Reforms — Including Time Limits — Which They Believe Will Get Recipients Working. They Are Far Less Interested in Reforms That Seem Tangential to That Goal

In the public's view, work should be the centerpiece of welfare reform. Thus, Americans rally in decisive numbers to the cause of reforms they think will direct recipients toward work. Most Americans are not interested in simply punishing welfare recipients — for example, few think cutting benefits is key. But neither do they want to coddle recipients. People are largely unconcerned that getting welfare may be a humiliating experience or that benefits are too low.

Finding Eight: Many Americans Have Not Fully Wrestled with the Possible Consequences of the Reforms They Support

Americans are certain that welfare is fundamentally misguided; they have a clear sense about what bothers them; and they are attracted to reforms which focus on getting recipients to work. But their support for different reform planks is pragmatic and nonideological — they support reforms they think will work. If such measures as time limits or job training programs bring unforeseen consequences — like substantially more homeless or expansion of the welfare rolls — many would reconsider their support. Focus groups also indicate that in discussions, many Americans develop an increased recognition that reforming welfare is more complex than they had thought. But rather than giving up, they often redouble their efforts and attempt to work through these complexities.

Finding Nine: Economic Insecurity Spurs Sympathy Toward Welfare, But Most Americans Continue to Prize Individual Effort

Americans who are economically insecure — who worry about losing their jobs and not keeping up with their bills — are often more sympathetic toward the welfare system. But although many Americans acknowledge the impact of an adverse economy, most still feel their country offers enough economic opportunity so that those who make the effort can succeed.

Finding Ten: Although African-Americans Are More Sympathetic Toward Welfare than Whites, They Also Have Deep Misgivings About the System and Support the Same Reforms

While African-Americans and white Americans sometimes see welfare through different lenses, their views on the core questions — what is wrong with welfare and how to fix it — are strikingly similar. Both groups share common ground in their concern that welfare encourages the wrong values and fosters a dependent lifestyle. Both groups strongly agree that work should be the centerpiece of reform — even for mothers on welfare. They also agree in their support of time limits and other reforms.

Special Focus: Florida, New York, and Illinois

In all three states, residents are in general agreement with the nation as a whole on the principal findings in this report: The welfare system is badly flawed; it traps recipients in a lifestyle of dependency; and its most urgent priority should be to move recipients into the working world. This section highlights areas where the three states vary from the rest of the country. As with African-Americans, these are mostly differences of degree, not of kind. Overall, it is the underlying commonalities among these very different state populations that are most striking.

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Public Agenda is a nonprofit, nonpartisan organization that seeks to raise the level of public discussion about critical policy choices facing the nation. Copies of *The Values We Live By: What Americans Want From Welfare Reform* are available from Public Agenda, 6 East 39th Street, New York, NY 10016. Tel: 212/686-6610, Fax 212/889-3461 (\$10 each, or \$5 for 10 or more copies. Please add \$2.50 for shipping and handling on one book, \$5 for 2-5 books, or \$10 for 6-25 books.)

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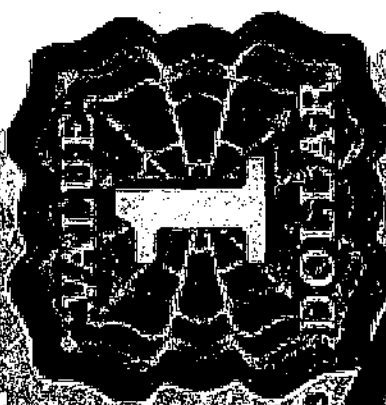
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The Values We Live By: What Americans Want From Welfare Reform

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Welfare Reform*

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Jennifer Perry Executive Director

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MEMORANDUM

TO: MAGGIE WILLIAMS
 FROM: LARA BERGTHOLD
 HOLLYWOOD WOMEN'S POLITICAL COMMITTEE
 JENNIFER PERRY
 CHILDREN'S ACTION NETWORK
 DATE: DECEMBER 8, 1995
 RE: WELFARE REFORM

Hope all is well. Attached is a copy of a letter that was sent to the President regarding welfare reform from members of the Children's Action Network and the HWPC.

Please don't hesitate to call either Jennifer at (310) 470-9599 or Lara at (310) 287-2803 if you have any questions.

Thank you.

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HOLLYWOOD WOMEN'S POLITICAL COMMITTEE

December 5, 1995

The Honorable William Jefferson Clinton
The White House
Washington, DC 20500

Dear Mr. President,

We have supported you with our votes and our dollars in large measure because of your support for the children and poor of America. We are deeply concerned for the state of our nation's children if the current welfare bill is enacted. We strongly urge you to veto this bill when it comes to your desk.

We applaud your efforts to responsibly reform current welfare programs, but it will take your leadership to move us beyond punitive rhetoric to meaningful reform. The stakes are far too high to let the current proposals become law. The bill, as it now stands, will drive 1.2 million more children into poverty. It will lead to the break up of the Food Stamp program that feeds more than 14 million children every year. And, more than 3 million abused and neglected children may be left more vulnerable and unprotected than they already are.

This bill has devastating ramifications for future generations. We will be sending a message that our children are the lowest of our nation's priorities and that those who have the misfortune of being born poor will never realize their hopes and dreams.

As our President you have the moral obligation to protect and promote the future of this nation's children. We trust that you will support our children as we have supported you.

Warm regards

Kate Capshaw

Chase Mishkin

Wendy Finerman

Whoopi Goldberg

Sally Field

Lorraine Sheinberg

Jennifer Perry Executive Director

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Free Welfare

Panel Action on Welfare-Overhaul Plan Paves the Way for a Vote This Month

By HILARY STOUT

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The House completed committee action on the Republican package to overhaul the welfare system, clearing the way for a vote by the full House as early as this month.

On near party-line votes, both the Ways and Means Committee and the Agriculture Committee yesterday approved major components of the GOP welfare plan. The measures would dismantle the government's main cash-welfare program and tighten eligibility for food stamps, the grocery-voucher program that helps feed 27 million poor people.

The two committee bills — and a third that dissolves several child-nutrition programs and puts the money into grants to the states — will be stitched together into a single piece of legislation that would radically alter the social safety net the country has built up over the past 60 years. House leaders plan to take the bill to the floor for a vote by the end of the month.

Although floor debate will be nasty, approval is all but certain given the discipline and unity within the House GOP ranks. Nevertheless, the ultimate fate of the Republican welfare initiative is unclear. While the welfare package is part of the "Contract With America" agenda that House GOP leaders have vowed to push through the chamber in 100 days, it doesn't have such prominence in the Senate. Moreover, some Republican senators, including Majority Leader Robert Dole, have expressed discomfort over some of the more severe measures in the House bill.

That measure of uneasiness has encouraged Democrats. "I think there will be better bipartisan dynamics in the Senate," President Clinton said hopefully in an Oval Office interview with newspaper columnists Tuesday evening.

In the interview and in a speech, Mr. Clinton was critical of the GOP plan, but indicated he may be able to accept some of its controversial measures. For example, some Democrats have been unhappy with a requirement in the Agriculture Committee's bill that "able-bodied" people between the ages of 18 and 50, with no dependents, work for their food stamps after three months. "I think any work requirement on able-bodied people for the public benefit should be an option for the states," the president said.

But he also said that as much as he wants welfare-reform legislation enacted, he won't blindly sign any welfare bill.

In the Ways and Means Committee yesterday, one Democrat, Gerald Kleczka of Wisconsin, joined all 21 of the panel's Republicans to approve the centerpiece of

the GOP welfare package: a bill that replaces Aid to Families With Dependent Children, which guarantees cash benefits to anyone who qualifies, with "block grants" to states to spend on antipoverty programs of their own design.

While many governors had pushed for such increased flexibility on welfare, the money they will receive through the block grants is less than they would get if the current network of aid programs were allowed to continue under existing law.

Furthermore, states would not be allowed to spend grant money on cash benefits for unwed mothers under 18 years old and their children or on legal aliens.

In the Agriculture Committee bill, which cleared the panel on a 26-18 vote yesterday morning, at least \$16 billion would be squeezed from the food-stamp program over the next five years by tightening eligibility requirements, limiting the automatic increases in benefits to 2% a year regardless of inflation, and imposing a cap on overall funding for the program.

The bill, however, is more moderate than an earlier GOP proposal that would have abolished food stamps and turned over the money now spent on the program to the states as a nutrition block grant. That plan was dropped after farm-state Republicans persuaded the GOP leadership to keep the program and retain its entitlement status so anyone who meets the eligibility requirements will be guaranteed at least some benefits.

Meanwhile, the House Ways and Means Committee approved President Clinton's plan to save about \$10 billion in the Medicare program over the next five years. But that's just a tiny portion of the savings Congress is expected to have to approve to try to balance the budget.

In addition, the panel approved legislation that would make the Medicare Select program permanent and extend it to all 50 states. Medicare Select, currently a 15-state demonstration program, lets beneficiaries buy so-called Medigap policies — which pay for the Medicare deductible and other expenses not included in basic Medicare coverage — at lower monthly premiums in exchange for using doctors and hospitals in a specific network.

—Gerald F. Seib contributed to this article.



Full Welfare Reform

Guarding Children's Rights • Serving Children's Needs

**TESTIMONY PRESENTED TO THE
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
UNITED STATES HOUSE OF REPRESENTATIVES**

**FOR THE HEARING ON
WELFARE REFORM**

BY

**DAVID S. LIEDERMAN
EXECUTIVE DIRECTOR
CHILD WELFARE LEAGUE OF AMERICA**

FEBRUARY 2, 1995

Chairman Shaw and Members of the Subcommittee, I am David Liederman, Executive Director of the Child Welfare League of America (CWLA), a membership organization representing nearly 800 public and voluntary child serving agencies that assist over 2.5 million children and their families nationwide. Our member agencies in each state serve troubled and vulnerable children, many of whom not only have experienced the hardship of poverty but also have been served by the Aid to Families with Dependent Children (AFDC) program. Approximately 50 percent of children in substitute care are AFDC eligible children.

REAL WELFARE REFORM NEEDS FOCUS ON CHILDREN

I appreciate this opportunity to discuss real welfare reform. The national debate has become very complex, but my message today is simple. Real welfare reform means taking seriously the welfare of children. It means remembering, when you mark up and vote on a welfare reform bill, this watchword -- "do no harm to children."

We, as a nation, have an obligation to keep all children from harm. You, as elected national lawmakers, should hold this duty foremost. We talk a lot in this country about the value of strong families; but we often do precious little to preserve and strengthen families. When a child reaches adulthood without the education, skills, or job opportunities to succeed, we all have failed. When a child never makes it to adulthood, we have suffered the ultimate failure.

Our nation originated the Aid to Families with Dependent Children (AFDC) program as part of the Social Security Act of 1935. Congress' primary goal was to insure that children's basic needs are always met, and to prevent children from falling into sustained poverty and long-term dependence. Prior to that year, mothers who were unable to care for their children were often forced to rely upon poorhouses or orphanages. The program's enactment reflected the belief that the best place for children to be raised is at home with their families. As the 104th Congress considers whether to tear down our national safety net or to look for better solutions, please keep that original goal in mind.

We all want change. We all condemn the welfare system for not helping enough families obtain employable skills, find work, and climb out of poverty for good. But, it does still provide a floor of support that helps to keep many children alive and to give them a chance to succeed.

Ask your constituents. Polls indicate that they hate the welfare system. Most want parents in AFDC families to work. But they don't want children to go homeless. They don't want children to starve. They don't want children to lose needed benefits or to be sent away from their families. According to a December 1994 poll by the Citizens for a Sound Economy Foundation, 57 percent of middle-class voters surveyed don't want benefits cut to children of teen mothers. More than three-quarters (77 percent) oppose moving children from welfare families to group homes or orphanages. According to a 1993 poll by Peter D. Hart Research

Associates, 80 percent of respondents said welfare provides a crucial safety net for poor children, who are not responsible for their poverty. In the same poll, 77 percent indicated they would favor a welfare reform plan that costs a lot more money than the current welfare system, due to child care, job training, and other programs that help more people to leave welfare.

We stand at a crossroads with these policies that affect so many of our children. Already, Wisconsin has set an unwelcome precedent by becoming the first state to be granted a waiver to institute complete termination of assistance to families who have broken no program rule. This committee is considering legislation that would apply similarly harmful policies to millions of children nationwide.

Unfortunately, too many of the proposals under consideration would shred the safety net more, rather than constructively reform and repair it. I urge you to reject those proposals. Almost ten million of the very poorest children in this nation receive AFDC benefits. A mother and two children on AFDC depend upon an average of only \$366 a month for their basic needs. And it is a pittance. If you don't believe me, I challenge you to live for a month on an AFDC benefit. We tried it as legislators in Massachusetts, and it was impossible.

We must preserve the safety net for children. Already, too many children fall through it. Nearly one out of every four children is poor. In five years, the number of children under six living in poverty experienced a staggering increase, from five million in 1987 to six million in 1992.

The welfare system is in disarray. We must fix the welfare system so that children escape poverty, so that they do not become mired in a multi-generational cycle of poverty. We must preserve the promise of support, the AFDC entitlement, to ensure that all children have access to basic support for food, clothing, and shelter.

Yes, we need more personal responsibility, but that call is not limited to families on AFDC, nor is just a call sufficient.

Don't let attackers of poor children get away with telling you that the problem is simply a lack of personal responsibility. Most parents on welfare want to work but, without training and job opportunities, they often cannot find work. Despite their parenting responsibilities, 83 percent of welfare recipients indicated that they would leave welfare immediately for a minimum wage job if it provided health care for their family.

Most families on welfare don't stay on it continually for years and years. Over 50 percent of welfare recipients leave welfare on their own within one year; 70 percent leave within two years.

The most common problem for poor families is an economic crisis. Working families are forced to begin or return to welfare due to a lack of stable employment, adequate or affordable health insurance or child care. Only 8 percent of post-welfare employment is accompanied by health care benefits. A GAO study in 1987 found that 60 percent of respondents in work programs in 38 states reported that lack of child care was a barrier to their participation in the labor force.

MASSIVE BLOCK GRANTS WOULD FAIL TO PROTECT THE MOST VULNERABLE

I have commented on previous occasions about H.R. 4, the Personal Responsibility Act, and would like to direct my comments today to the block grant proposals, which are under serious consideration.

While careful consolidation of a number of categorical programs makes sense and is overdue, block granting virtually all activities for its own sake, accompanied by spending cuts, would cause severe problems for children. Eliminating the entitlement guarantee, along with massive consolidation and spending reductions could, in the short- and long-term, severely undermine state and local community efforts to protect and serve children. They would then be placed at even greater risks that could lead to homelessness, neglect, or other family crises that would require child welfare intervention.

I urge the subcommittee to maintain that federal guarantee to protect children; to support efforts to establish paternity but not to penalize children by denying benefits in cases where paternity has not been established despite the mother's cooperation; to support efforts to reduce teenage pregnancy and promote marriage but not to deny benefits to children born out of wedlock to young mothers; and not to deny benefits to children due to their legal immigrant status.

The danger in permitting states to carry out misguided welfare policy is demonstrated by the recent experience of several states which cut general assistance funds for many thousands of people. A report released last year by the Center on Social Welfare Policy and Law found that hundreds of thousands of men and women suffered without jobs or income support after states targeted single "employable" people for welfare cuts. The report looked at welfare cuts in Michigan, Ohio, and Illinois, and found that state definitions of "employability" were totally unrealistic, most former recipients did not find jobs, and crises were immediate and severe for large numbers of individuals left homeless, hungry, and sick following the cuts. Within one year after Michigan made its cuts, 25 percent of the former recipients became homeless, according to a University of Michigan study.

These findings indicate that too often, the states' answer to welfare recipients is to let them live in the streets, begging, homeless, cold, and hungry. A welfare block grant to decentralize welfare to the states without federal minimum standards would increase competition among neighboring states to enact more punitive policies in hopes of providing a

disincentive for interstate migration. A block grant accompanied by severe cuts in AFDC and other benefits and services could send millions of children into the streets, or to orphanages.

CWLA has estimated the basic cost of caring for one child in a residential group care facility at \$36,500 per year, ten times the cost of AFDC and Food Stamp combined benefits (\$2,644 per year) for that child. Providing basic residential group care for three million of the nearly ten million children on AFDC would cost about \$109.5 billion a year. Costs vary for residential group care and family foster care, but the estimates I have provided are toward the low end of the cost spectrum.

The block grant proposals would strip away assurances of protection and help for children in need and drive them into an already besieged child welfare system. Even now, the child welfare system cannot keep up with increases in the number of abused and neglected children. In 1993, 2.989 million children in the U.S. were reported abused or neglected, up from 1.154 million children in 1980. Welfare reform proposals to end AFDC assistance to millions of children would overwhelm the child welfare system, undermine its ability to protect abused and neglected children, and leave many children in jeopardy.

Charitable organizations cannot pick up the slack. They already subsidize about 30 percent of the cost of residential group care with charitable dollars. CWLA's member agencies report that their resources are stretched to the limit.

BLOCK GRANTS IGNORE GREAT UNEVENNESS AMONG THE STATES

State have widely varying capacities and experiences in meeting the needs of their most vulnerable young citizens. Vastly different resources and expertise are the rule. These wide variations have tremendous implications for children.

We believe that despite the best efforts of local communities and state governments, the work of the nation's public and private child welfare agencies will remain insufficient to the task unless the federal government provides more leadership, promotes greater accountability and commits more, not fewer, resources to the care and protection of children. We believe a national strategy is necessary and must be tied together by a federal government working in close cooperation with states and local communities in the public and private sectors.

BLOCK GRANTS DO NOT MAKE REAL WELFARE REFORM

Giving states more flexibility by itself will not achieve real welfare reform. Real welfare reform that can improve the lives of very poor children and their families means addressing individual and structural issues, demanding personal responsibility, providing the services for getting and keeping employment that enables families to be self-sufficient, and investing in economic development that will generate stable jobs that can support families. It means, among other things over the long-term, addressing child poverty in America. Congress, by

greatly expanding the Earned Income Credit (EIC), already has gone a long way to ensure that no working family will live in poverty. We can do a great deal more for children and families through welfare reform, but only if we utilize adequate resources and address the root causes of poverty.

Welfare reform must also value and encourage excellent parenting, the most vital means to help children grow up healthy. Some AFDC heads of household are not able to work or should not be expected to do so. Young mothers, for example, must not simply be tossed into the working world -- parenting itself is too important and parenting is indeed hard work. Instead, they should be encouraged to care for their children and pursue an education that prepares them for lifelong work, and they should be provided with appropriate job exposure and training.

Jobs

A key element to successful welfare reform will be employment. Good wage jobs need to be available for people to work but are in short supply. We must encourage and assist AFDC parents to become self-sufficient and to act responsibly, find and keep work outside of the home, pursue education, maintain adequate and stable earned income, and contribute to the care of their children.

All participants should be required to engage in activities to receive the necessary skills to obtain a decent paying, stable job. AFDC requirements that discourage work and marriage should be changed. AFDC asset limits should be raised so that recipients can save for their children's education or start a business without having to sell virtually everything they own. However, we destine our policies and families to failure if we expect that every AFDC family can move at the same speed to find employment.

AFDC recipients who are ready and able to work but cannot find a job in the private sector should be provided with quality full-time public sector work at family-supporting wages. Improved employment opportunities in the children's services sector, for example through full funding of Head Start and expansion of child care programs, could address the dual need of expanding children's services while providing public sector jobs for adults. A higher minimum wage would promote work incentives and draw more low-income families out of poverty. Extreme care must also be taken to avoid creating workfare programs that displace existing workers and institute a new substandard minimum wage for AFDC recipients or substandard working conditions that would have a harmful impact on the labor market and promote divisiveness in the work force.

Transitional and other supports

Welfare reform must provide strong transitional support services for AFDC families to work. These service components should include high quality education resources, job training, and child care.

Children whose families receive AFDC are among those most at risk of developmental delays and diminished educational achievement. There is widespread agreement that, in order for them to thrive and succeed in school, they need the benefits of comprehensive, high quality early childhood programs. Welfare reform will place an increased demand for child care on a system that even now cannot ensure adequate and affordable quality care. Adequate resources and an improved infrastructure must be in place in order to ensure that all children have access to quality child care. Welfare reform child care policy must include consistent standards to ensure the healthy and safe development of children regardless of the funding source for their child care assistance. In addition, parents who leave AFDC for work should receive child care assistance beyond the current twelve months, so that they are not forced to lose their job for lack of child care. It is equally important that we not further pit necessary child care for families struggling to get and stay off public assistance against the necessary child care for working low-income families struggling to stay afloat and get ahead.

In addition to specific transitional support services, a meaningful anti-poverty strategy must include improved unemployment insurance protection, a refundable children's tax credit, universal access to health care, improved paternity establishment and child support enforcement, improved access to federal nutrition programs, as well as other reforms and initiatives outside of the AFDC system.

Child support enforcement and assurance

Paternity establishment and child support enforcement and assurance are fundamental elements of welfare reform. Child support is a crucial factor to keep children and their custodial parents out of poverty, sends a message that both parents are responsible for their children, and can make a substantial difference in the financial security of all single-parent families. According to the National Women's Law Center, our nation's system of paternity establishment has overwhelmingly failed. Of child support cases in 1989, paternity was established in only 31 percent of non-marital births, and \$5.1 billion of court-ordered child support was not paid to custodial parents with child support orders.

Both parents have a responsibility to support their children. Fathers should be required to contribute financially to their children's well-being, and should be strongly encouraged to be active parents and family members. Struggling families should receive case manager support in reformed AFDC offices that focus on providing family services. All AFDC recipients should be encouraged to complete high school and pursue higher education.

NEW NATIONAL EFFORT ON TEEN PREGNANCY PREVENTION IS NEEDED

Our nation must respond to the epidemic of teen births by instituting a national campaign to prevent teen pregnancy. Research indicates that more than half of teens age 17 and younger are virgins. Efforts should be made by families, communities, schools, churches, and the media to support teens to abstain from sexual intercourse. Young people in the critical years of 9 to 14 should be especially targeted.

Schools should strengthen the curriculum in decision-making skills, family life education, social responsibility, and basic education and employability skills. Comprehensive family planning services should be available to counsel teens regarding sexual abstinence and appropriate medical services for sexually active teens.

A thorough network of health, education, and support care services, including medical and psychological services, should be available to all pregnant and parenting adolescents. Pregnant women, at the very least, should receive prenatal care and education about the risks of using drugs, alcohol, and tobacco during pregnancy. Drug treatment programs should be available for all drug-abusing pregnant women and parents of infants.

Improved paternity establishment and strict enforcement of child support in cases involving teen pregnancy will send an important message to young men that fatherhood is accompanied by parental responsibilities.

Responsible adult supervision and guidance important for young parents

As we institute a national campaign to prevent teen pregnancy, we must not abandon teen parents and their children. We should continue to provide children of teen parents with safety net assistance, and encourage teen parents to get the skills they need to support themselves and their children.

CWLA supports a residency requirement for teen mothers in safe and appropriate supervised living arrangements at home or in other settings that give young parents the support and guidance they need to gain parenting and other vital life skills. Almost three-quarters of pregnant teenagers under age 18 live with one or both of their parents. Even six months after giving birth, about 60 percent of young mothers aged 15-17 are still living at home. CWLA believes that pregnant and parenting teens should remain at home for the emotional and financial support that parents can provide. For those pregnant and parenting teens who cannot remain at home because of abuse or neglect, arrangements must be made for them to live with other family members or in supervised group homes.

A CWLA survey of Florence Crittenton Agencies, conducted last year, suggests that forcing teen parents and their children to return to a parent's home without proper safeguards could place many children at severe risk of physical or sexual abuse. The survey found that:

- about 62% were estimated to have been abused or neglected by a caregiver;
- almost 64% were estimated to have had at least one unwanted sexual experience;
- about 50% of those living independently would, in the opinion of those agencies which serve such young women, be placed at risk of physical or sexual abuse if returned to their families.

The high prevalence of abuse by caregivers indicates that most of the adolescent mothers served by these agencies come from unsafe homes. These figures most likely underestimate

the proportion of these mothers who have been abused or neglected by a caregiver because some agencies answered this question only in terms of substantiated abuse cases.

It is widely believed that abuse very often goes unreported or unsubstantiated. The Crittenton Agencies' staffs know these young women quite well; their report that 50% would be at risk of abuse if returned to their homes suggests that for the federal government to impose such a requirement without critical safeguards in order to receive welfare would be detrimental to thousands. It would force many adolescents to choose between seeing their children go hungry or homeless and putting both themselves and their children in danger.

Qualified "teen parent case managers" should be assigned to make careful decisions regarding whether the teen and her child should be sent back to a parent's home. These case managers would also help each minor parent draw up an individual plan to attain independence, assist her in achieving her plan by linking her with needed education, health, family planning, substance abuse treatment, and other social services. Recognizing that the teen parent case manager would play a critical role in assuring the rights and safety of teen parents and their children, caseloads of no more than 20 clients to each teen parent case manager should be maintained.

If a teen parent residency requirement program is implemented, we must ensure that young parents do not return to abusive or otherwise unsafe households, that exceptions are made when such a requirement makes no sense for a particular family, and that teen parents' special needs for intensive case management are addressed.

Education, child care and health assistance critical supports for teen parents

Teen parents receiving AFDC should be required to complete their education. Research has shown that just over half of all teenage mothers complete their high school education during young adulthood. Many of those who do not complete high school have low basic academic skills, and have low earning potential. Five years after giving birth, 43 percent of teenage mothers are living in poverty, according to a 1990 report by the Congressional Budget Office. Special efforts must be made to assist pregnant and parenting teens to remain in school and to further their education, thus enhancing their chances for self-sufficiency and to avoid repeat pregnancies.

State departments of education and human resources should assist in making child care services available to help teen parents stay in school. Day care options should be readily available at or near the school site so teens can complete school. Teen parents should be expected to work in the centers as part of their parental obligation -- an excellent opportunity to learn effective parenting skills. Voluntary, early home visiting by public health and community resource persons should be expanded to reach and assist young parents.

CHILD WELFARE SAFETY NET -- THE PROTECTION OF LAST RESORT -- MUST REMAIN INTACT

Block grant proposals that strip away assurances of help for children in need would drive more children into an already besieged child welfare system. Even now, the child welfare system cannot keep up with increases in the number of abused and neglected children. Welfare reform proposals that would end AFDC assistance to millions of children would overwhelm the child welfare system, undermine its ability to protect abused and neglected children, and leave many children in jeopardy.

As you consider welfare reform and seek to address potential negative impacts on the children, I urge you to maintain the child welfare safety net -- all the Title IV-E guarantees and the capped entitlement for family preservation and support -- to help children receive the services they need to keep them safe. It is the safety net of last resort.

Many of these children are in state custody where the state is functioning as their legal parent, and as such, has an obligation to respond when a child's safety is threatened. The federal government has an important role in enabling the states to do their jobs by providing guidelines for protection and enforcing the protections when they are ignored.

The children needing protection and care have greater and more complex needs than ever. They require sound assessments and timely and appropriate services.

The Title IV-E entitlements, under P.L. 96-272, provide the individual guarantee of support for maintenance, for "administrative costs" that principally pay for essential preplacement and permanency determination activities (e.g., child and family assessments, referral to services, recruitment of foster and adoptive families), and for training that staff who work with the children and families require. It also provides for adoption assistance that has proven very successful in removing the financial barriers to adoption for children with special needs.

The Family Preservation and Family Support Services Program, recently enacted under P.L. 103-66, provides important incentives and resources to the states to develop and expand services to prevent unnecessary placement and to reunite children with their families. Progress has been made in introducing appropriate family-focused, child-centered services and many children have been able to remain home safely or safely return to their homes. This support and direction are essential for children and their families that are clearly in crisis, but are not quite at the brink of destruction. Without this support, we will end up with a system that can only respond at the "back end," to more extensive, expensive and intractable problems.

A child welfare block grant, currently under consideration by this subcommittee, would only further compromise children's safety should it eliminate the services' guarantees, fail to specify protections and lack enforcement.

A RESPONSIBLE FEDERAL ROLE IN WELFARE REFORM

The federal government has an important responsibility in its partnership with the states in assisting their families to take care of their children. The current welfare system is broken and the federal government needs to work with the states to change it. That means more than simply writing a check and walking away.

We must build a stronger future for children in America. Congress should take the following 10 steps toward real welfare reform:

1. Preserve the federal commitment to protect children from discrimination and serious harm by maintaining the AFDC entitlement. Ensure that children in all states have access to a basic "safety net" of support;
2. Improve federal oversight, cut unnecessary bureaucracy, and streamline where appropriate;
3. Concentrate our efforts and resources on the majority of parents who leave AFDC on their own. This is the most motivated group and we should ensure that they stay off welfare permanently by maintaining health care coverage, providing income disregards and guaranteeing quality child care.
4. Work with the private sector and states to support the creation of jobs that pay a living wage so that AFDC parents can find work, stay employed, and support their families; and ensure that all AFDC parents have access to quality job search assistance, education, internships, training, and transportation. Require states to increase participation in work programs so that at least half of each state's work program participants are employed in either private or public sector work;
5. Support efforts to increase access to high-quality day care. Lower the state match requirement, substantially increase federal funding for child care assistance, set minimum payment levels based on full market rates, and eliminate the income disregard method and statewide limit;
6. Institute a national teen pregnancy prevention campaign through education, health services, family and community efforts and the media. Support efforts to help teens to delay parenting and to stay in school;
7. Support aggressive case management and services to teen parents, including home visiting; encourage involvement of teen fathers in parenting responsibilities;
8. Reform health care so that illness does not drive families onto the welfare rolls;

9. Support responsible paternity establishment and child support enforcement and assurance; and
10. Develop a broader anti-poverty strategy, so that working families do not fall into poverty.

Democrats: GOP welfare plan falls short

By Leslie Phillips
USA TODAY

As a House subcommittee plunged into the bare-knuckles battle of writing a GOP welfare-reform bill Monday, Democrats denounced the plan as too soft in its requirement that welfare recipients go to work.

In a marathon session, a Ways and Means subcommittee worked into the night to speed the bill through the legislative maze so the House can vote on it within 100 days of the start of the session, as Republican members promised in their Contract with America.

But Democratic objections made for slow going and portended battles ahead in the full committee and on the floor.

The GOP plan would end a 60-year-run of guaranteed welfare for anyone who meets eligibility requirements. Also, it would cap welfare funding at its 1994 level of \$15.3 billion a year for five years.

It also would deny cash benefits to unwed teen mothers, legal immigrants who don't become citizens and additional children born to mothers already on welfare.

Democratic leaders say women who apply for Aid to Families with Dependent Children, the nation's largest cash welfare program, should be required to work or enroll in job training immediately — unless the women are disabled or new



By Joe Marquette, AP

LONG SESSION: Democrats slowed momentum of a welfare-reform bill in the House Ways and Means human resources subcommittee. Seated, from left: Dave Camp, R-Mich.; Clay Shaw Jr., R-Fla.; and Harold Ford, D-Tenn. Those standing are aides.

mothers.

The Democrats say welfare mothers must get services that make their transition into the working world easier.

"I find it very difficult to support work without supporting health care and without supporting day care," said Rep. Charles Rangel, D-N.Y. "You can't just challenge someone to get a job. You have to help them get a job."

Subcommittee Chairman Clay Shaw Jr., R-Fla., agreed. He said another committee would design a \$10 billion, five-year child-care package.

And he promised that a recipient who finds work and

gets off welfare could continue free government health benefits for another year.

Then Shaw added: "I think we can toughen up on the work provisions."

But some Democrats still weren't satisfied.

The new Republican proposal, which includes controversial elements from the Contract with America, calls for 2% of people on welfare to be working by next year and 20% by 2003.

But Democrats say current programs would put more adults to work. Health and Human Services Assistant Secretary Wendell Primus projected

Effects of proposed changes

House Republicans propose to change the way the federal government distributes Aid to Families with Dependent Children, the nation's top welfare program. The Clinton administration's analysis of the states losing or gaining the most, in millions of dollars, and percentage change:

BIGGEST LOSERS

State	1996 grant	1994 grant	% change
Idaho	\$25	\$30	-16%
Indiana	\$172	\$202	-15%
New Hampshire	\$33	\$38	-14%
Nevada	\$28	\$33	-15%
New Mexico	\$95	\$116	-18%

BIGGEST WINNERS

Kentucky	\$191	\$168	14%
Maine	\$87	\$73	19%
Michigan	\$842	\$744	13%
Mississippi	\$87	\$77	14%
Wyoming	\$23	\$20	14%

Source: Health and Human Services Department. Note: New Jersey was not included in the study.

that 11% of adults on welfare will be in work programs by next year.

"We believe the current law works in training and education, and that's why we want to expand on it," he said.

Democrats say the Republican plan does no more than the administration has already proposed and doesn't force welfare recipients into jobs.

It calls for requiring a welfare recipient to take a job within two years of starting to collect benefits, as President

Clinton proposed last year.

It would permit states to design their own work or job training programs.

There are no sanctions if states fail or neglect to move recipients into work.

"It's a sham," said Rep. Sander Levin, D-Mich. "What you're doing is putting together a bill that has a mandate that's a fig leaf."

Shaw said he expected to finish writing the welfare bill and send it to the full committee by the end of the week.



By Tim Dillon, USA TODAY

DASCHLE: Senate minority leader says the health care 'problem hasn't gone away.'

Dems put in a plug for health care

By Richard Wolf
USA TODAY

Democrats Monday challenged the new Republican majority in Congress to revive the health-care reform issue.

Breaking with the Clinton administration's plea last year to overhaul private health care, Senate Democrats said they would settle for far less.

But Republicans, busy with budget, crime and welfare legislation, have not made health care a focus this year.

"It's not addressed in the

Contract with America, and no legislation has yet been introduced," said Senate Minority Leader Tom Daschle, D-S.D.

Senate Republicans have set up a task force to study legislation. House Republicans have promised action after their 100-day push on other issues.

Democrats don't want to wait. Their legislation would:

- ▶ Guarantee workers keep insurance when changing jobs.
- ▶ Prohibit denial of coverage for pre-existing conditions.
- ▶ Give tax breaks to small businesses and self-employed.

▶ Aid low-income children, jobless workers and those caring for the disabled at home.

A key battleground: how to pay for reforms. Republicans are planning major savings in Medicare and Medicaid to help in their push to balance the federal budget and cut taxes.

In 1994, "We almost came to blows over health care," Clinton recalled in his State of the Union message. This year, he urged lawmakers to "work together on this. It is too important for politics as usual."

Republicans appear willing

House Speaker Newt Gingrich has floated the idea of passing "a series of building blocks" for reform by summer.

Sen. Robert Bennett, R-Utah, chairman of a Senate GOP task force on the issue, said, "We intend to propose action in this Congress."

Employers already have shifted many workers into health maintenance organizations or other forms of "managed care." Result: Average spending on health benefits fell by 1.1% in 1994, consultants Foster Higgins said Monday.



File
Welfare
Reform

Resources to Build a World without Welfare

By Karl Zinsmeister

Healthier private alternatives to welfare will quickly take root—if we only summon the courage to end subsidies that make irresponsibility painless and profitable.

Radical welfare reform is now a real possibility, mainly because absolutely no one will defend the status quo. Many pundits, however, continue to be squeamish about the prospect of replacing government welfare programs with alternative forms of assistance.

Take the case of Morton Kondracke, who recently critiqued the welfare reforms set forth in the latest issue of *The American Enterprise*, which I edit ("Questions for the welfare reformers," *Washington Times*, December 29). He agrees that a "compelling case" has been made "that government has done a poor job of helping people—indeed, that it has made things worse." He accepts that government welfare ought to decline, and that "charity, service, rescue" by private citizens ought to rise. But Mr. Kondracke, like lots of others in the journalism business, seems to doubt that this substitution of compassionate person-to-person aid for impersonal governmental aid will ever happen on a significant scale.

Sniffing for hypocrisy within the reformers' ranks, Mr. Kondracke guesses that few of the conservatives who back a shrinking of the welfare state have put much energy into helping needy people through *nongovernmental* channels. But on this he's wrong. The groups most generous with their time and money today are precisely the core constituencies of small-government Republicans.

Who are the prototypical small-government Republicans? According to survey research, they are married, employed, college-educated, church-going white parents of small children. And data from Independent Sector and the U.S. Bureau of Labor Statistics show it is precisely Americans with those characteristics who give most freely to others from their own time and money. Compared to individuals with profiles more typical of liberal Democrats (e.g., unmarried people, blacks, persons without college education, the unemployed, Northeasterners), the numbers show that government-shrinking conservative types are more than twice as likely to volunteer time for the carrying out of good works. They also give more than twice as big a proportion of their annual incomes to charity.

The folks who are most giving of all, incidentally, are religious conservatives—the key population in the GOP's November electoral sweep. Statistics from Independent Sector show that among people who attend church weekly 71 percent are volunteers of some sort, to the tune of 3.4 hours a week on average, while the proportion of household income donated to others averages 3.8 percent. (Among those who *never* attend church, meanwhile, 40 percent volunteer, giving an average of 1.6 hours a week, and 0.8 percent of total household income goes to charity.)

Skeptics point out that both volunteering and charitable giving have fallen over the past few years. Few note, however, that American generosity with time and money peaked during the supposedly "greedy" GOP era. Liberal sophisticates snickered over George Bush's thousand points of light and Ronald Reagan's insistent celebrations of private sector charitable "heroes." But even as the guffaws echoed, philanthropic giving rose sharply during the 1980s (after declining steadily during the 1960s and 1970s)—peaking in 1989.

Mr. Kondracke argues that cutting back on government dole payments would be untested "social engineering." Equating social engineering with efforts to *end* social engineering is an amazing twist of logic. Perhaps what he really means is that social engineering and undoing social engineering can both create social turbulence, which is true enough. But the two undertakings are hardly morally or politically equivalent.

Following many others, Mr. Kondracke also insists that today's debilitating government hand-outs should be cut only if "beforehand...a substitute is in place." This would wave off the first serious efforts to fix welfare in three decades, and there are three mortal faults in the logic.

First, this clemency toward the welfare status quo implies that a continuation of today's mass dependency (20 million persons living off the check-in-the-mailbox economy) is a tolerable state of affairs that may acceptably be continued into the future. It's not. One can hardly imagine an alternative that would produce more daily pathology than our current inheritance of welfare-linked illegitimacy, crime, drug addiction, and child neglect—and that's why Americans are in no mood for timidity in reform.

Second, the "wait-till-the-private-sector's ready" argument ignores the fact that countless highly effective measures for aiding the poor already exist outside government. I invite anyone who thinks nongovernmental charity is rare and untest-

ed to read some of the accounts of successful alternatives to welfare profiled in the latest issue of *The American Enterprise*. (Call 202-862-5870 for a free copy of the January/February 1995 issue.) In field after field—addiction treatment, assistance for the homeless, feeding programs, tutoring, maternity homes, orphanages, domestic violence shelters, protection of teen runaways, and inner-city education, for instance—private charitable efforts are vastly more efficacious, and rescue a larger number of individuals, than comparable government programs do.

The third critical reason why it's wrong to defer welfare cuts until some direct replacement has been ginned up for every current recipient in a private charitable program is because bad aid, so long as it exists, will invariably drive out good. This point is made by charitable experts in article after article of our special issue.

So long as no-strings-attached government checks are available to any teenager who wants to set up her own apartment, alternative programs that set higher expectations and make demands on recipients will have a hard time competing. Want to see fewer irresponsible fathers? More welfare mothers in addiction treatment units, parenting classes, adoption centers, and job-training courses? Then the very first thing that must be done is to cut off the easy escape routes. As Marvin Olasky—Newt Gingrich's favorite welfare analyst—puts it on page 47 of our magazine, "Folks will do the right thing if they have no other choice."

The Nervous Nellies in Washington will be surprised how quickly healthier alternatives to welfare will take root—if only they'll summon up courage to end the current subsidies that make irresponsibility painless and profitable.

[from the *Washington Times*, January 10, 1995]

Karl Zinsmeister is editor in chief of *The American Enterprise*.

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Orphanages, and Other Victorian Ideas

By Gertrude Himmelfarb

In a few short weeks, the idea of reviving group homes for abandoned and abused children as part of welfare reform has gone from gaffe to received wisdom. Now that we are ready to reconsider orphanages, we may be inspired to rethink other ideas and institutions redolent of "Victorianism."

Computers all over the country have been programmed to type "Dickensian orphanages" as if with a single stroke of the key. George Stephanopoulos proposed sending copies of *Oliver Twist* to all Republican members of Congress, presumably with the famous "more" episode highlighted. Some commentators referred to orphanages as "Bleak Houses," conjuring up another Dickens novel, with quite another theme.

For some journalists, "Victorian" has been the preferred invective. The word "orphanages," *Newsweek* said in its cover story on that subject, "sticks in the craw. It evokes the moral hypocrisies of the Victorian Age."

When Newt Gingrich first uttered that dreaded word on television, the Democratic Party and the liberal press pounced with glee: "Dickensian orphanages" were the Republicans' solution to the problem of poverty. Replying to Hillary Clinton, who said that any plan to put poor children into orphanages was "unbelievable and absurd," Mr. Gingrich suggested that she rent a video of the 1938 Mickey Rooney/Spencer Tracy film about Boys Town, whereupon he was accused of confusing reality with a "Hollywood illusion."

By this time, the affair began to recall the Murphy Brown brouhaha two years ago

precipitated by Vice President Quayle, who ventured to criticize the TV serial for glamorizing unwed motherhood and was jeered not only for taking seriously a TV sitcom but also for taking unwed motherhood so seriously.

In one respect, the two episodes are significantly different. It took a full year for President Clinton to admit publicly that Quayle had been right about family values. It took only a few weeks for the liberal press (although not yet the president) to concede that there might be something in the orphanage idea.

Even *Newsweek's* cover story admitted that there is much to be said for small-scale, family-type "group homes" like Boys Town—which, its readers may have been surprised to discover, not only still exists but has been much expanded and improved. The article quoted so respected an authority (a Democrat, to boot) as Senator Daniel Patrick Moynihan, who five years ago predicted that as heroin in the 1960s produced the single-parent family, so crack would soon produce the no-parent child, and with it the need for orphanages.

Elsewhere, such reputable scholars as James Q. Wilson have soberly analyzed the problem of abandoned and abused children

and have concluded that orphanages (or something like them) are a necessary alternative to dysfunctional or nonexistent families.

"Compared with what?" is the pertinent question. President Clinton's objection that "there is no substitute—none—for the loving devotion and equally loving discipline of caring parents" is disingenuous, for it is not such loving, devoted, caring, and disciplined parents who would be displaced by orphanages. If an orphanage is not the equivalent of the Ozzie and Harriet model family, it is closer to it than the abusive, alcoholic, drug-addicted, violence-prone family, or nonfamily, that is the normal habitat of many children.

Orphanages are, to be sure, far more expensive than conventional relief. But the cost is not so excessive compared with that of the prisons, hospitals, and asylums in which some of these children might otherwise spend a good part of their lives, to say nothing of the cost of the crime, delinquency, illiteracy, and other social ills that these children might inflict on society.

Moreover, orphanages are only a small part of any welfare system—an agency of last resort. The aim of any welfare reform is not to institutionalize huge numbers of children but to create the conditions in which fewer children require such care.

The press, sensing a turn in the tide of public opinion, has regaled us with memoirs of people raised in orphanages—not only in Boys Town but in the innumerable homes established by Catholic, Protestant, Jewish, and secular philanthropies. Their grateful "alumni" remind us that these groups have been quietly saving souls and bodies all this time.

When even so unimpeachable a liberal as the columnist Mary McGrory decided that "an institution is better than a crack house or a life on the street," we clearly reached a new stage in the debate over orphanages. Ms. McGrory also warned liberals not to repeat the mistake they made when they "cackled and sneered" at Dan Quayle for his Murphy Brown speech. If Quayle was right then, she suggested, Gingrich might turn out to be right now.

From gaffe to received wisdom in a few weeks—this is the real measure of the recent conservative victory.

Victorian Virtues

There is another lesson to be drawn from both the Murphy Brown and the orphanages episodes. Now that we are ready to reconsider orphanages as well as family values, we may be inspired to rethink other ideas and institutions redolent of "Victorianism."

For starters, we might recognize that Victorian England was not nearly as "Dickensian" as Dickens's novels would have us believe. As John Ruskin, himself something of a socialist, said, "It is Dickens's delight in grotesque and rich exaggeration which has made him, I think, nearly useless in the present day." (In fact, Dickens did not confuse reality with fiction. He was an enthusiastic advocate of institutions he satirized in his novels—training colleges in *Hard Times* and "ragged schools" in *Our Mutual Friend*.)

Even the orphanage in *Oliver Twist* housed only twenty or thirty children, not the hundreds one might imagine. And while the real version was often miserable enough, it was not quite as miserable as the fictional one. Long before Dickens's day, reformers had tried to alleviate the situation by "farming out" infants to nursing mothers in the country.

Throughout the Victorian period, private institutions—the National Children's Home run by the Methodists, the Waifs and Strays homes of the Anglicans, the nondenominational Dr. Barnardo's Homes—were generally more humane than the public ones. Again, these were not nearly as humane as we would like today or, for that matter, as reformers at the time would have liked. But neither were they as "Dickensian" as we might think. (Like Boys Town, the Barnardo Homes still exist.)

While we are rediscovering orphanages (under such euphemisms as "group homes," "boarding schools," or "congregate care"), we might find ourselves rediscovering other Victorian ideas—about welfare reform, for example.

Confronted with their own problem of a growing welfare population, the Victorians (pre-Victorians, actually—this was in 1834, three years before Queen Victoria ascended the throne) enacted a New Poor Law based on the principle of "less-eligibility." The condition of the "able-

bodied pauper" (the principle did not apply to the sick, aged, or children) was to be "less eligible"—less desirable or favorable—than that of the "independent laborer," thus encouraging the laborer to retain his independence rather than lapse into a condition of pauperism.

It is a principle we might keep in mind as we consider the "more eligible" condition of the present welfare recipient, who has every incentive to remain dependent because relief allowances, food stamps, and Medicaid are well above the minimum or even modest wage level.

Or we might rediscover another Victorian principle: charity. Foreigners visiting England in the nineteenth century commented on the extraordinary variety of philanthropic organizations, the large sums dispensed by private charities, and the unstinting time and energy contributed by individuals. For the Victorians, charity was more than a means of alleviating poverty and misfortune. It was a moral obligation and a civic duty—and not only for the upper and middle classes; in 1890, a survey showed half of the "respectable" working classes making regular charitable contributions.

One was reminded of this some years ago when President Bush's "thousand points of light" campaign was greeted with disdain by sophisticated journalists; and more recently, when Newt Gingrich remarked that charity would step in to help those unwed mothers who would no longer receive relief, his interviewer sneered at so retrograde an idea. Yet charities thrive in America today, without the imprimatur of some of our pundits.

Or we might rediscover the ideas of cleanliness and orderliness, which Victorians elevated to the level of virtues. These ideas appear in the recent reminiscences of orphans, who recall, not resentfully, the tidy quarters they inhabited, the floors washed and polished, shoes lined up as in military formation, precise timetables for meals, study,

chores, recreation. We might even be moved to revive that much-maligned Victorian maxim (actually invented by John Wesley a century earlier), "Cleanliness is next to godliness."

Or we might rediscover, as *Newsweek* has, the idea of shame. "The Name of the Game Is Shame" is the title of an article on teenage pregnancy. The "old moral relativism," we are told, is over, even if some liberals are reluctant to acknowledge it. "The line between right and wrong" must be drawn sharply, and one way to do that is by making teenage illegitimacy shameful. "Risk ridicule. Think anew," the article concludes.

But one need not think anew. "Shame" is an idea that the Victorians took over from the Greeks and combined with the Christian idea of "guilt" to produce the "stigma" they attached to illegitimacy. If shame is about to be revived, perhaps stigma may be as well. One might even contemplate the possibility that *all* illegitimacy (*Newsweek* did not venture beyond teenage illegitimacy) will come to be stigmatized as wrong and shameful. And if shame, cleanliness, and charity are rediscovered, can that other Victorian virtue, chastity, be far behind? That, to be sure, is the most far-fetched idea of all. But the extraordinary success of William Bennett's *Book of Virtues*, which is now celebrating the anniversary of a full year on the bestseller list of the *New York Times* with 2 million copies in print, may tempt one to believe that a revival of even that virtue is not outside the realm of possibility—improbable, surely, but not impossible.

It is such fanciful, utterly Victorian ideas that may be provoked by the debate on orphanages.

[from the *New York Times*, January 9, 1995]

Gertrude Himmelfarb is Distinguished Professor of History Emeritus, City University of New York, and a member of AEI's Council of Academic Advisers. Her latest book is *The De-Moralization of Society: From Victorian Virtues to Modern Values* (forthcoming).
1995 - # 5



America's New Soft Underbelly

By Richard N. Perle

There is little reason to expect that Republican control of the House and Senate will arrest the downward trend in U.S. defense spending. But there is a huge difference between reducing spending by simply buying fewer of the things we needed during the cold war and buying the markedly different things we will need to deal with future threats.

There is a long tradition in American politics of liberal complaint about defense spending on the grounds that money spent on defense can be better used for other purposes. The annual defense appropriation debate always includes speeches about how many hospital beds or infant immunizations or school lunches can be bought for the price of a ship, a plane, or a tank.

The liberal complaint during the cold war—that we were spending too much on defense—was about the size of the budget; it seldom entailed an argument about how the money was being spent. Now, with the end of the cold war and a sharp decline in defense spending, conservatives have begun to question whether we are spending too little on defense.

The answer is that the current spending plan—\$260 billion for FY 1994 and \$1.58 trillion over the next five years—is about right (give or take a few billion dollars) if we spend it wisely. But even much larger budgets could prove dangerously inadequate if we spend foolishly. For it makes a huge difference whether we reduce defense spending by simply buying fewer of the things we needed during the cold war, or whether we achieve smaller budgets while buying the markedly different forces we will need to deal with future threats.

Easiest, by far, is the first course: as the budget declines, the services will be instructed to buy fewer divisions, fewer air wings, fewer ships at sea. Need to take an extra billion out of the budget? Knock out an Army brigade or retire a few ships. A billion more? Ground an air wing.

What is wrong with this approach is that at each stage, as the budget declines, we are left with a smaller version of a force structure that was once optimized to cope with a threat that no longer exists but has little chance of coping effectively with threats that may well exist in the future. The second approach, restructuring for the future while reducing defense spending, is far more difficult. It runs counter to deeply entrenched thinking—and the forces to which it gave rise—developed during nearly half a century of cold war.

The threat that exists no longer, but which dominated every aspect of defense planning and investment during the cold war, had two elements: a massive Soviet missile attack on the United States and an overwhelming Warsaw Pact mechanized conventional attack through the center of Europe. This twin threat was a powerful and all-pervasive template against which everything we did was measured.

The most prevalent scenario around which most American and NATO war games and

simulations revolved, combined the two: a Soviet-led Warsaw Pact invasion across the inner-German border led inevitably to an exchange of nuclear weapons. Sometimes, especially during the Christmas season, the war game would end with the use of a single, miraculously sobering tactical nuclear weapon that would, in the words of NATO communiqués, "cause the enemy to reconsider his aggression and withdraw." On other occasions the conventional war would give way to a more extensive exchange of tactical nuclear weapons which would, in turn, be followed by a central nuclear war.

To deal with these threats, all postwar American administrations thought it necessary to equip sizeable air, land, and naval forces with conventional weapons, to station as many as half a million Americans in Europe with a promise, backed up by concrete plans, to deliver an additional ten divisions within ten days to the European theater, and to develop and deploy a formidable array of nuclear weapons ranging from atomic land mines and depth charges to multiple warhead intercontinental ballistic missiles. Alongside appropriate political coordination with our allies, this response to the Soviet threat during the cold war was the heart and soul of American national security policy.

Almost nothing of that remains today. The Warsaw Pact and the Soviet Union are gone. We just celebrated the fifth anniversary of the fall of the Berlin Wall. A nuclear attack on the United States by Russia is unimaginable.

Yet a significant fraction of the land, air, and naval forces raised, trained, organized, and exercised to cope with that threat remains in place, consuming much of the U.S. (and most allied) defense budgets.

Because our cold war strategy was aimed at stopping the Warsaw Pact armies, and because we knew (or thought we knew) where and in what strength they would attack, we could tailor our defenses accordingly. Doing this meant a permanent U.S. European deployment, large quantities of prepositioned equipment, and highly specific reinforcement plans utilizing American and allied predesignated units.

In the future, we will have no reliable way of knowing where American interests around the globe might be threatened. We don't know who the enemy will be, nor, for that matter, can we

know who our allies will be. Terrain, communications, access—none of this can be known in advance (although contingency planning can shorten the time it takes to react to specific contingencies).

New Threats Require New Responses

Of one thing, however, we can be reasonably certain: the threats of the future will take place close to the enemy and far from the United States. To protect our interests in far flung regions of the world, the United States must possess, in addition to effective diplomacy, the capacity to use military power at substantial distances without incurring risks that are disproportionate to the interests we seek to protect. This has important implications for what we buy with our defense dollars.

For example, the need to achieve a low risk global reach argues strongly for something like the B-2 bomber, a stealthy strategic aircraft often thought of as a device for delivering nuclear weapons but, in reality, and in the post cold war world, best suited to delivering conventional munitions with great precision over long distances and with virtually no risk to the aircraft or crew. It would be a very good thing if we could deal with a Colonel Qaddafi or Saddam Hussein or a Kim Il-Sung from 70,000 feet without fear of detection by enemy radar. But the Clinton administration has decided to terminate the B-2 program, presumably in order to buy, or keep, more of the forces we once needed for the Euro-centric strategy of the cold war.

To protect American interests located at great distances from the United States and its dwindling collection of overseas operating bases, we will need military forces that are mobile, rapidly deployable, and, unit-for-unit, highly effective. Recognizing the difficulty of moving large quantities of equipment over long distances, we will need to reduce the quantity of equipment which must be transported to distant theaters. This requires that everything sent to the theater contributes significantly to military effectiveness. This means taking smart weapons—and leaving dumb ones behind. In future contingencies there will not be enough space or time to carry unguided iron bombs or inaccurate artillery shells to distant theaters.

We learned during the Gulf War how effective weapons employing advanced technologies can be, and that was just the beginning of what advanced military technologies now enable us to do. If we wish to have military options at great distances, we had better think about configuring our future deployments to take full advantage of precision weapons and information technologies that enhance greatly the effectiveness of our forces.

We were lucky in the Gulf to have local bases from which we could operate and the time to move a vast military force half way around the world. It will not be so easy next time around or in some other place. We will simply have to make do with quantities of equipment that can be delivered in, say, a few days—not the months Saddam Hussein so foolishly allowed us to exploit.

The Military Role of Information Technology

The war in the Gulf was the first modern war in which information technology played a decisive role. Modern weapons have evolved to the point where a precisely located target has a high probability of being hit by weapons incorporating state of the art guidance, propulsion, sensing, and communication systems.

Now it's a good idea in war to be able hit the targets you aim at—but until now that has been nearly impossible to do. Iron bombs, for example, almost always miss. So do most artillery shells. And bullets fired by infantry? Thousands of rounds are fired for every one that hits. Smart weapons will change all that and revolutionize warfare in the future.

If we are smart about smart weapons and take only smart weapons with us when we contemplate fighting a long way from home, we will find the vexing problem of affording enough air and sea lift will become much more manageable. It's quite remarkable how much less one has to carry to the theater when a high percentage of what we do take can actually hit the target.

To acquire and maintain the capacity to get the right amount of the right things to the theater, we will have to continue investing in weapons technology. Impressive as the performance of many of our advanced weapons was during the Gulf War,

we can do still better. Precision guidance can now be developed to the point where relatively cheap cruise missiles will be able actually to strike their intended targets after flying many hundreds or even thousands of miles in bad weather. Individual soldiers can now determine their own location to within a few feet, anywhere on the earth's surface; targets can be similarly pinpointed. We have radars coupled to computers that can reveal instantly the location from which enemy artillery has been launched and, even before enemy shells have landed, launch a withering, accurate counter fire.

In a rash show of bravado at their 11th hour meeting in Geneva on January 11, 1991, Tariq Aziz warned James Baker that American troops, unaccustomed to desert warfare, would be lost in the featureless terrain, blinded by desert sand, unable to find their way. Iraqi troops, he vowed, knew every inch, every sand dune, of the Iraqi and Kuwaiti deserts.

In the event it was the Iraqis who were hopelessly lost and disoriented while we knew precisely where we were, the exact coordinates having been generated by orbiting satellites and transmitted in real time to hand held down links. Here was information technology at work winning wars and saving American lives. But—and here is the important point—the money necessary to continue to develop ever smarter weapons and integrate them into the Army, Navy, and Air Force simply won't be available if we squander declining budgets on clinging to the forces built up to deal with yesterday's threat.

Spend Less—Wisely

There is little reason to expect that Republican control of the House and Senate will arrest the downward trend in U.S. defense spending. But it may produce at least one important change in the way the budget is spent: restoring at least some of the funding cut by the Clinton administration for research and development aimed at achieving a defense against ballistic missiles.

Ballistic missile defense is the program about which congressional Republicans have differed most sharply from the administration, and it is likely to become an early test of the ability of the

congressional leadership to reshape administration programs.

This is a welcome development. The sharp reduction in money for ballistic missile defense—in part to slow the drawdown of cold war related forces, in part to express an essentially philosophical difference with past Republican administrations—was shortsighted and ill-considered.

Today, the United States, with its troops deployed abroad is hopelessly vulnerable to attack by ballistic missiles. With the exception of the Patriot missile (which, despite criticism from opponents of ballistic missile defenses, played a crucial role in the defense of Israel and Saudi Arabia during the Gulf War) the United States has no theater or strategic system capable of intercepting ballistic missiles, even missiles launched in small numbers or by accident or miscalculation.

The old criticism of the Reagan "strategic defense initiative," that it could not provide a perfect defense against a determined super-power like the Soviet Union, is, in the aftermath of the

cold war, irrelevant to the issue of whether we ought to remain wholly defenseless in a world that may include new, hostile nuclear powers. Yet the weight of the old criticism coupled with a curiously resilient commitment to a now irrelevant treaty banning strategic defenses, has made ballistic missile defense a favorite target for budget-cutters at the Pentagon.

Resuming work on strategic missile defense and intensifying the development defenses against theater ballistic (and cruise) missiles should be a high priority, even with budgets in overall decline. Paying for an adequate defense against ballistic missiles will mean buying fewer of the things we used to need. But that is precisely the way in which a smaller, wiser defense budget is to be preferred to a larger, foolish one.

[from the *International Economy*, November/December 1994]

Richard N. Perle is resident fellow at the American Enterprise Institute.

1995 - # 4



American Enterprise Institute

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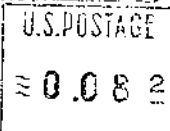
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Hudson Briefing Paper

August 1993

Number 155

Welfare Policy: Is There Common Ground?

By Anna Kondratas

Welfare policy has been one of the most hotly debated issues since President Johnson declared "war" on poverty in the mid-1960s. Early in the debate the lines were drawn quite clearly. Liberals emphasized the need for the federal government to help less fortunate members of society. Conservatives emphasized the high costs of welfare both for taxpayers and recipients.

The war on poverty failed. In fact, it coincided with a vast increase in numbers of poor people across the country. By the 1980s, in response to mounting evidence that federal welfare programs had failed both taxpayers and recipients, the two sides of the debate began to find a number of points on which they had common ground. Both sides agreed that too many people were on welfare; that the goal of welfare should be to help recipients become independent of the state; that development of good character among recipients is crucial; and that welfare recipients should be required to work if possible.

Hence a bipartisan drive for welfare reform came into being. In the 1980s various states began implementing work programs, and the federal government affirmed the trend in the Family Support Act of 1988, which made welfare receipt contingent on participation in employment and training programs. Unfortunately, saying that recipients should work proved much easier than making it happen, because the vast majority of welfare recipients are single women with children. These reforms were immediately followed by a huge increase in welfare caseloads, which rose by more than 25 percent in the late eighties and early nineties.

As it became clear that work programs alone would not decrease welfare dependency, states began to pass reforms intended to solve behavioral problems such as having children out of wedlock, neglecting to obtain prenatal care, and failing to ensure that one's children attend school. More than half the states have proposed or enacted programs designed to change lifestyles and life expectations of those on welfare. These programs are likely to be more successful than work programs alone, but not much more so. Policymakers are becoming increasingly aware of the need to treat the social and economic factors that help create welfare dependency.

Empowerment and asset-based welfare reform comprise the latest approach. Both Right and Left agree that the government should use welfare to empower people to take control of their lives. Grass-roots activism is an important element of the effort. If the Clinton administration remains committed to such an approach, the nation will enjoy an unprecedented opportunity to bring on "the end of welfare as we know it."

File Welfare Reform

MAGGIE
WILLIAMS

November 9, 1993



MEMORANDUM FOR CIRCULATION

FROM: BRUCE REED

SUBJECT: Talking Points on House GOP Welfare Reform Plan

On Wednesday, November 10, House Republicans will hold a press conference to announce their welfare reform plan, which is based on the President's campaign pledge to require welfare recipients to work after 2 years. The Administration's reaction is spelled out in the attached HHS press release. The key points to stress are:

1. Welfare reform is a bipartisan issue, and we welcome the Republicans' effort to help the President pass a plan. Many elements of the Republican proposal are consistent with the President's vision, including their emphasis on parental responsibility and a two-year time limit followed by work. There is widespread consensus across party, class, and racial lines that the current welfare system is broken. We look forward to working with members of Congress and governors in both parties to fix it.

2. The President has laid the groundwork to make good on his promise to end welfare as we know it. His economic plan included a dramatic expansion in the Earned Income Tax Credit, which will move people off welfare by rewarding work and make good on another campaign promise -- that no one who works full-time with a family at home should live in poverty. The Administration's health reform plan will remove the incentive in the current system for people to stay on welfare in order to keep their health benefits.

The Administration has granted welfare reform waivers on a bipartisan basis to several states, including Iowa, Georgia, and Wisconsin. The Administration's Welfare Reform Working Group has held a series of hearings around the country (including one this week in Memphis) with state and local leaders, people in the welfare system, experts, and citizens who support reform. The Working Group will present policy options to the President later this year, with reform legislation likely early next year.

3. Many elements of the Republican plan are consistent with the President's approach; other elements raise some concerns. We want to do everything we can to reward work, family, and responsibility. Some provisions in the Republican plan raise concerns -- such as capping the EITC, a powerful work incentive with bipartisan support. Moreover, while we believe that welfare reform can save money over the long run by moving people into independence, we are concerned that some of the savings claimed in the Republican plan could shift considerable spending to the states. Finally, we would like to do more in the area of child support enforcement. But we are confident that we can work together with leaders in both parties to develop a welfare reform plan with bipartisan support.

If you have any questions, feel free to call me at 456-6515.

DRAFT STATEMENT RESPONDING TO REPUBLICAN PLAN

Mary Jo Bane, David Ellwood and Bruce Reed, co-chairs of President Clinton's Working Group on Welfare Reform, issued the following statement today in response to the release of the welfare reform legislation by House Republicans:

"We are pleased that the Republicans in the House of Representatives have entered the debate on welfare reform. We will certainly be looking closely at their legislation in the weeks ahead as we work with Congress and the states and localities to continue the development of the Administration's plan. Many of their proposals address the President's vision for reform, which stresses work, family, opportunity and responsibility.

Clearly there is broad consensus throughout the country and across party lines for fundamental change in the welfare system. The emphasis in the Republican plan on work and parental responsibility is very much in keeping with the President's goals.

While we applaud their emphasis on work, some elements of the plan concern us, such as the cap on the EITC - a powerful work incentive which has bipartisan support - and the across-the-board cuts in cost-effective nutrition programs which are likely to shift costs to the state. Much more can and should also be done to crack down on parents who fail to pay child support. Most importantly, we want a plan that focuses both on opportunity and responsibility, to ensure that Americans can and do work and become self-sufficient in the work force. As the President said in his February 17 address to Congress, "in the end, we want people not to need us any more."

We look forward to working with Congress on a bipartisan basis to develop a plan which fulfills the President's vision of a welfare system which truly helps people to work and become self-sufficient."

**SUMMARY OF WELFARE REFORM LEGISLATION
SPONSORED BY HOUSE REPUBLICANS
Fall, 1993**

I. ATTACKS THE TWO FUNDAMENTAL CAUSES OF WELFARE

CAUSE 1: NONWORK

- Less than 10% of welfare mothers work
- Although many mothers leave welfare within 2 years, many stay for 8 years or more; today there are more than 3 million mothers on AFDC who will remain on welfare during 8 years or more

THE SOLUTION: MANDATORY WORK

- When fully implemented, the Republican bill requires 63% of mothers who have been on AFDC for at least 2 years to work 35 hours per week for their benefits; mothers do not lose their benefits if they work in community or private sector jobs arranged by the state
- Mothers must use the first 2 years on AFDC (less at state option) to participate in education, training, work experience, and job search to prepare for a position in the private economy; if they do not find a job within that 2 years, they must participate in a community work job in order to continue receiving welfare benefits
- Provides states with an additional \$10 billion to provide welfare mothers with employment services, including day care
- One adult in two-parent families on welfare must work 32 hours per week and search for a job 8 hours per week starting the first day they receive welfare
- Mothers applying for welfare must participate in a job search program while their application is being processed
- Fathers of children on welfare who do not pay child support must also participate in work programs
- Mothers who refuse to work have their benefits reduced and then terminated; states failing to ensure that parents work suffer serious financial penalties

CAUSE 2: ILLEGITIMACY

- Illegitimacy has risen wildly in recent years; now 2 of every 3 black children and 1 of every 5 white children are born out of wedlock – and the rates are still rising
- Of illegitimate babies born to teen mothers, a shocking 80% will be on welfare within 5 years
- Teen mothers are the most likely to stay on welfare for many years without working
- Most of the increase in poverty and welfare in recent years is caused, not by a poor economy or reduced government spending (both are up), but by increased illegitimacy

THE SOLUTION: ESTABLISH PATERNITY, RESTRICT WELFARE, CRACK DOWN ON DEADBEAT DADS

- All mothers applying for welfare must identify the father or they will not receive benefits
- After identifying the father, mothers receive a reduced benefit until paternity is legally established
- Mothers who are minors must live at their parent's home, thus preventing them from using an illegitimate birth to establish their own household
- States must increase their paternity establishment rates, over a period of years, to 90% or suffer stiff penalties
- States are required to stop increasing welfare checks when families on welfare have additional children; states can avoid this requirement only if they pass a law exempting themselves
- States are required to stop paying welfare benefits to parents under 18 years of age; states can avoid this requirement only if they pass a law exempting themselves
- Deadbeat dads with children on welfare are required to pay child support or work

(OVER)

II. SLASHES WELFARE FOR NONCITIZENS

THE PROBLEM: TOO MUCH WELFARE FOR TOO MANY IMMIGRANTS

- Hundreds of thousands of noncitizens are added to the nation's welfare programs each year
- A recent study by the Social Security Administration shows that more than 11% of all recipients and 20% of elderly recipients of Supplemental Security Income are noncitizens
- Noncitizens also qualify for Aid to Families with Dependent Children, Food Stamps, Medicaid, housing, and other welfare benefits

THE SOLUTION: STOP WELFARE FOR NONCITIZENS

- Simply end welfare for most noncitizens
- Allow refugees to receive welfare for only a fixed number of years unless they become citizens
- Allow noncitizens over 75 to receive welfare
- Continue the benefits of current noncitizens receiving welfare for 1 year

III. EMPHASIZES PARENTAL RESPONSIBILITY

- Requires mothers who are minors to live at their parent's home
- Requires states, in most cases, to stop welfare payments to unmarried parents under age 18
- Requires states to terminate the cash welfare benefits of families that do not have their preschool children immunized
- Encourage states to reduce the cash welfare benefit of families that do not assure that their children attend school regularly
- Allows states to require AFDC parents to participate in parenting classes and classes on money management
- Allows states to discourage parents from moving to a new school district during the school year

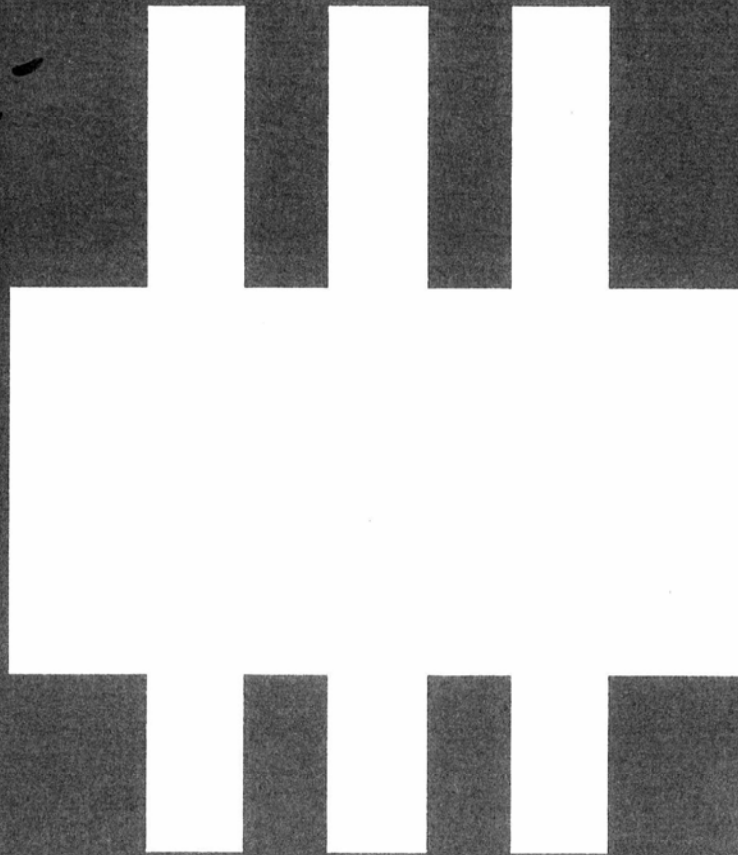
IV. ATTACKS SEVERAL ADDITIONAL WELFARE PROBLEMS

- Requires adults applying for welfare to engage in job search before their benefits start
- Requires addicted recipients of welfare to participate in treatment programs or lose their benefits
- Converts 10 major food programs into a block grant that provides states with almost complete discretion over spending; funding for the programs is reduced by 5%
- Caps spending on Supplemental Security Income, Aid to Families with Dependent Children, Food Stamps, Public and Section 8 Housing, and the Earned Income Tax Credit to inflation plus 2% per year
- Provides states with much greater control over means-tested programs so they can coordinate and streamline welfare spending
- Encourages states to provide financial incentives to induce mothers on welfare to work and marry
- Allows states to let welfare recipients accumulate assets to start a business, buy a home, or attend college
- Allows states and local housing authorities to use more generous income disregard rules to promote work incentives
- Requires addicted recipients of Supplemental Security Income benefits to submit to drug testing; ends SSI benefits for those testing positive for illegal drugs

V. ACCOMPLISHES ALL THE ABOVE IN A BILL THAT REDUCES THE DEFICIT BY \$20 BILLION OVER 5 YEARS

- The training and mandatory work provisions of the bill cost nearly \$12 billion over 5 years
- The paternity establishment, job search, parental responsibility, block grant, and immigration provisions of the bill save about \$31 billion over 5 years.
- Thus, the net impact of the bill is to reduce the budget deficit by almost \$20 billion over 5 years.

*File
Welfare
Reform -*



CENTER ON HUNGER, POVERTY AND NUTRITION POLICY

11 Curtis Avenue • Medford • MA • 02155

**STATEMENT ON KEY
WELFARE REFORM ISSUES
THE EMPIRICAL EVIDENCE**

**Center on Hunger, Poverty and Nutrition Policy
Tufts University**

1995

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Foreword

Most Americans agree that the "welfare system" needs to be reformed. Some think that welfare benefits are too generous, promoting laziness and dependence. Others believe that the benefits are miserly, making it impossible for the poor to get on their feet. What seems to receive broad support is the belief that something needs to be done.

The nation's primary public assistance program, Aid to Families with Dependent Children (AFDC), was created to help needy families with children survive difficult economic times. Its original mission was to provide short-term support while enabling families to become economically self-sufficient. During the decade of the 1960s, welfare programs seemed to be working well. A growing economy and new federal initiatives led to a significant decline in the number of Americans living in poverty. Child poverty alone decreased by a remarkable 45%, from 17.6 million children in 1959, to 9.7 million children in 1969.

Unfortunately, this progress did not continue into the 1970s and 1980s. During the past twenty years child poverty in the United States increased 63%. Furthermore, despite annual fluctuations, the overall poverty rate continues to increase, with more than 15% of all Americans now living on incomes far below minimum subsistence levels of about \$11,500 annually for a family of three. The specter of growing poverty, hunger, and homelessness has generated calls for changing the welfare system.

Some advocates of welfare reform have developed the theory that poverty is increasing not because of changes in wage structure, international trade, or the job market, but because of the behavior of the poor themselves. Welfare payments, they argue, lead to chronic dependency on public support, more children born to unmarried mothers, and more poverty.

A considerable body of scientific evidence does *not* support the contention that the behavior of the poor is a major cause of poverty. Rather, the evidence shows that growing poverty is part of more fundamental shifts in the U.S. and world economies. Moreover, the data show that the alarming increase in the number of single-parent households is not mainly among the poor, but among the non-poor. The poverty rate for poor children living in single-parent households has remained virtually constant over the past twenty-five years.

At the present time most Americans, including those receiving welfare, appear to support welfare reform. It is critical, however, that we avoid the tragic mistake of adopting pseudo-reforms that stem from political ideology rather than empirical evidence. Our greatest hope lies with political leaders who will make these important decisions based on the very best knowledge. In the final analysis, if we wish to break the cycle of persistent poverty, we must be guided not by a wish to punish poor women, but by a commitment to protect poor children as an investment in the development of nurturing and economically independent families.

Jack P. Shonkoff, Dean

Florence Heller Graduate School for Advanced Studies in Social Welfare

Samuel F. and Rose B. Gingold Professor of Human Development

Brandeis University

Introduction

It is very likely that Congress will enact major changes in federal welfare programs to reduce poverty and promote economic independence among the poor. It is virtually certain that these changes will fail.

The key welfare "reform" measures now supported by key Republican *and* Democratic leaders are at variance with scientific evidence which is summarized in this document. Whether political leaders simply misunderstand the evidence, or choose to ignore it in favor of the political exigencies of the moment, solutions now being proposed almost inevitably will fail.

The dominant view expressed in Washington is that welfare benefits promote the growth of single-parent families, and that these families are the major reason that poverty has increased. Conversely, the theory goes, reducing welfare will lead to fewer single-parent families and, therefore, less poverty.

The empirical evidence shows that political wisdom about the relationship between welfare, single-parent families and poverty is out of step with scientific knowledge. That key political leaders in the nation could be contemplating a major shift in federal policy -- based on *incorrect* information -- is alarming. In 1994, some 76 academic researchers, including many of the most prominent scholars in the field of welfare and poverty policy, took the unprecedented step of issuing a public statement about the empirical evidence. Their action was prompted by concern that political leaders do not understand the facts about welfare and poverty, and that they are proposing revolutionary policy changes based on their misunderstanding.

The "prevailing wisdom" about welfare is wrong. There is virtually *no* causal link between welfare and single-parent families. In fact, the growth in the number of single-parent households has been largely among people who are *not* poor. Moreover, scientific evidence shows that poverty is increasing due to far-reaching changes in the economy -- changes which hurt both poor and non-poor Americans.

The miscalculation of political leaders is serious. It is as if they were mobilizing the nation to confront a threat to national security -- but had identified the wrong aggressor. That would not protect America, and proposed welfare policies which treat the wrong problem will not lead to stronger and more independent families. This is the message of the available scientific evidence summarized in this document. This body of knowledge provides the empirical basis for policymakers to achieve true welfare reform -- changes which strengthen our families, our economy, and the nation itself.

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KEY WELFARE REFORM ISSUES

WELFARE AND SINGLE-PARENT FAMILIES

- ** Does welfare (AFDC) promote single-parent families?**
- ** Factors associated with the increase in single-parent families: What the empirical evidence shows**

CAUSES OF POVERTY

- ** Are single-parent families causing the growth of poverty in the U.S.?**
 - ** The growth of poverty: What the empirical evidence shows**
-

Single-Parent Families: Definition

It is important to be precise about the unit of analysis when considering single-parent families. The Census Bureau and other researchers use the terms families, households, family households, family groups, parent/child situations, single parents, and single-parent families in ways that can be confusing. (See the Glossary of Terms at the end of this document.)

There is no precise standard definition of single parents or single-parent families. In lay usage, the term "single" is often used synonymously with "never-married," though at other times it means any marital status other than "married, spouse present" (for example, separated, divorced, widowed, or never-married). The somewhat awkward technical term "female-headed family household, no spouse present" may come closest to indicating what most people are referring to when using the term "single-parent family."

Definition of Single-Parent Families Used in This Statement

To simplify presentation of material in this document, we use the term "single-parent family" to mean any family or family group consisting of at least one child under age 18, and a parent whose marital status is any category other than "married, spouse present." It is important to note that only a portion of single-parent families arise from out-of-wedlock births. Similarly, all out-of-wedlock births do not result permanently in single-parent families. Other terms are used sparingly, when needed, to distinguish specific types of single-parent families (e.g., divorced families, out-of-wedlock births, never-married mothers, etc.).

WELFARE AND SINGLE-PARENT FAMILIES

Does Welfare Promote Single-Parent Families?

In recent years some political leaders have argued strongly that the welfare system is behind the growing number of single-parent families in the U.S.. This argument has become widely accepted in public debate and discussion. Yet, research results show that welfare (AFDC) has had a negligible influence on the growth of single-parent families in the U.S. (See Appendix for definition and facts about AFDC.)

The empirical evidence does *not* support the claim that welfare (AFDC) is causing the growth in single-parent families in the United States

- * During the period that single-parent families have increased, welfare benefits have decreased
 - * The growth in the number of single-parent families has been primarily among the non-poor, thus having a negligible relationship to welfare
 - * Single-parent families are not a phenomenon unique to the poor, but reflect larger, problematic trends in industrial nations
 - * Welfare benefits have virtually no influence on out-of-wedlock births among welfare recipients
 - * Other Western industrial nations provide more welfare benefits, but have lower rates of out-of-wedlock births and single-parent families than the U.S.
-

Welfare has not been a significant factor in the increase in single-parent families

- ** Welfare benefits have been decreasing during the period of time that single-parent families and out-of-wedlock births have been increasing (5; 36; 47; 48).
- ** From 1970 to 1990, the average monthly AFDC benefit per family (adjusted for inflation using the Consumer Price Index) fell by 36 percent, from \$676 per month to \$434 per month (47, 325).
- ** During this twenty-year period, the number of female-headed households increased by 87.8 percent, from 6.0 million to 11.27 (59, 6).
- ** During the same period, the out-of-wedlock birth rate increased by nearly two-thirds, from 26.4 to 43.8 per 1000 live births (67, 49).

The majority of single-parent families are *not* poor

- ** From 1970 to 1990 the number of female-headed households increased by 5.27 million (from 6.0 to 11.27 million), mostly among non-poor households.
 - * The number of poor female-headed households increased by 1.82 million (from 1.95 to 3.77 million) (59, 6).
 - * The number of non-poor female-headed households increased by 3.45 million, (from 4.05 to 7.5 million) (59, 6).
 - * More than 65 percent of the increase in single-parent families is comprised of households that were *not in poverty* (59, 6).

Single-parent families are not a phenomenon unique to the poor

- ** Education is the most important determinant of income level, yet growth in out-of-wedlock births occurred among never-married women at all income levels, not just among the poor.
 - * From 1982 to 1992, the proportion of never-married women (ages 15-44) with at least one child, and with a high-school education or one or more years of college, doubled (53, xix).
 - * The proportion of never-married women (ages 15-44) with bachelor's degrees who had borne a child more than doubled over this period, while the proportion with graduate or professional degrees nearly doubled (53, xix).

- ** A recent General Accounting Office (GAO) study of never-married women found that while the proportion of single women receiving AFDC who were never married nearly doubled from 1976 to 1992, this increase reflects a similar trend among all single women (poor and non-poor). Between 1976 and 1992, the proportion of all never-married single mothers nearly tripled (66).

Welfare has little if any causal effect on out-of-wedlock births among AFDC recipients

A 1994 Urban Institute study using state-of-the-art research methods with data from the National Longitudinal Survey of Youth (NLSY) found that:

- * Among low-income single women who were themselves raised in single-parent families, size of welfare benefits *has no significant influence* on first births, subsequent births, or out-of-wedlock births (1, 11-23).
- * AFDC has no effect on future childbearing among single women who have a child. Neither the size of the baseline welfare benefit level nor the incremental benefit for additional children influences mothers' decisions to have a second child. Mothers who receive AFDC to support their first child are *not* more likely to have subsequent children than non-AFDC recipients. (1, 11-23).

"Thus, while restricting benefits to young mothers who have additional children while on welfare may carry a significant symbolic message -- that long-term dependence on public assistance is not an acceptable lifestyle -- it is unlikely to have a substantial effect on women's childbearing decisions and reduce state welfare spending. Consequently, restricting or sharply reducing AFDC benefits for needy women and children is difficult to justify." Urban Institute, 1994

A 1993 study conducted at the Institute for Research on Poverty of the University of Wisconsin, found that:

- * AFDC benefits have no influence at all on the decisions of Black women and only slight influence on never-married White and Hispanic women's decisions to have a first child (43).

- * The possibility of receiving more benefits does not enter into the decisions women on welfare may make about having another child (43, 24-26).

Results of a 1994 study conducted by researchers at the University of California-Berkeley Graduate School of Public Policy, found that:

- * AFDC payments have *no* significant effect on decisions to have children among single mothers (37, 27-29).
- * Policies prohibiting AFDC recipients from collecting additional benefits upon the birth of another child are unlikely to have *any* effect on subsequent births (37, 27-29).

A 1990 study using a sample of 874 Black women under age 20 from the Panel Study of Income Dynamics (a nationally representative longitudinal study) found that:

- * AFDC benefits have no significant effect on the incidence of out-of-wedlock births among Black teenage women (12, 530).
- * Future economic opportunities, on the other hand, lead to large and statistically significant decreases in the incidence of out-of-wedlock births among Black teenagers (12, 530).

Other Western industrial nations provide more welfare benefits, but have lower rates of out-of-wedlock births and single-parent families than the U.S.

A 1985 comparative study of teenage pregnancy and childbearing in 37 developed countries, conducted by the Alan Guttmacher Institute, found that:

- * Most of the countries provide higher overall levels of support for poor single and married mothers than the U.S. In the countries studied, however, the existence of high levels of support for poor single mothers does not lead to higher adolescent birthrates (30, 16).

The 1986 edition of the U.N. Demographic Yearbook, which reports rates of out-of-wedlock birth for both developed and developing countries for the period 1977 to 1985, found that:

- * The rates in the U.S. are higher over this period than those reported for virtually all other comparable western industrial countries (46).

The Increase in Single-Parent Families: What the Empirical Evidence Shows

More than 65 percent of the growth in the number of single-parent families (1970-1990) has been among households that are *not* poor. About a third of the growth has been among the poor. The empirical evidence indicates that the increase in single-parent families is associated with several major factors, primarily social and economic. Changes in marital status and living arrangements over the past three decades indicate that social norms governing the behavior of all income groups have changed. It is difficult to determine with statistical precision the degree to which changes in social norms precede changes in economic relationships, and vice versa, but the scientific literature shows that economic changes have been a major factor behind the increase in single-parent families.

**The empirical evidence shows that several social and economic factors
are associated with the increase in single-parent families**

- * Changes in social norms among all income groups have reduced the stigma associated with not marrying, divorce, cohabitation and non-marital childbearing
 - * Increased labor force participation and improvements in the economic status of women
 - * Decrease in men's earning power which has reduced the likelihood of beginning or remaining in stable marriages
 - * Declines in real household incomes associated with marital dissolution
 - * Declines in education and employment prospects for poor young people
-

Changes in social norms

Changes in social norms have reduced the stigma associated with divorce, co-habitation and non-marital childbearing, and have led to increases in the median age at first marriage.

- * During the period from 1970 to 1993, the median age at first marriage increased from 23.2 years to 26.5 years for men and from 20.8 years to 24.5 years for women. Over this period the percent of never-married women ages 20-24 increased from 35.8 percent to 66.8 percent. The percent of never-married women ages 25-29 tripled over the same period, from 10.5 percent to 33.1 percent (44, VII-VIII; 65, 79).
- * The number of unmarried-couple households increased from 0.5 million in 1970, to 3.5 million in 1993. Over 35 percent of unmarried-couple households had children in 1993 (44, 72).

Increased labor force participation and improved economic status of some women have reduced the relative economic advantages of marriage, especially for non-poor women.

The increased labor force participation and economic independence of women provides a wider range of viable economic alternatives for women. This has made it less likely that some women will choose to marry, and more likely that women whose marriages are failing will divorce or separate.

- * Between 1987 and 1992, the proportion of all women 16 years and older in the labor force increased by 33.5 percent, from 43.3 percent to 57.8 percent (14, 387).
- * Between 1983 and 1992, the employment of women increased in virtually all managerial and professional occupations. In 1983 women filled 40 percent (9.7 million) of these higher paying jobs; in 1992 women held 47 percent (14.7 million) (64, 2).
- * In 1976, 31 percent of all women ages 15-44 who had a child during the preceding year were in the labor force. By 1992 this proportion had increased to 54 percent (53, xiii).
- * From 1970 to 1992, the median annual income for all working females increased by 47.5 percent, from \$9,274 to \$13,677 (57, B-34).
- * From 1974 to 1992, the median income for females ages 15-24 increased by 8.0 percent, from \$4,790 to \$5,174 (57, B-33).

- * From 1970 to 1990, the female-to-male earnings ratio increased by 20.0 percent, going from slightly under 0.60 in 1970, to 0.72 in 1990 (57, B-37).

Decreases in men's earning power have reduced their likelihood of beginning or remaining in stable marriages.

Decreased earning power (especially among younger age groups) has made it harder for some men to begin and maintain families, and has led to greater stress within many married-couple families. Such declines in earnings and income among men make it more difficult for some men to provide for a family, and less likely that they will choose to marry, or be able to maintain economically viable families.

- * From 1970 to 1992, the median annual income for all working males declined by 8.7 percent, from \$24,296 (all incomes in this section are adjusted for inflation) to \$22,173 (57, B-34).
- * From 1974 to 1992, the median annual income for males ages 15-24 years declined by 14.8 percent, from \$7,334 to \$6,250 (57, B-33).

Declines in real household incomes, associated with marital dissolution

A major cause of separation and divorce, especially among younger couples, is marital stress associated with economic hardship. While the majority of women whose marriages break up remarry, many do not (55, 1-8).

- ** A 1992 Census Bureau study using data from the Survey of Income and Program Participation (SIPP) found that poor two-parent families are about twice as likely to break up as non-poor two-parent families (22, 2).
- ** Another 1992 Census Bureau study found that about half of all marriages end in divorce. In 1990, 36.9 percent of all women whose first marriage ended in divorce had not remarried (55, 8).
- ** In 1970, 11.4 percent of all unmarried adults were divorced. By 1993 this proportion had more than doubled to 22.9 percent (44, VI).

Declines in viable education and employment prospects for poor young people

The empirical evidence indicates that the growth in single-parent families is due in part to out-of-wedlock births to teenagers over the past two decades. Studies show that this growth is caused by declines in viable prospects for the future. When young people have reasons to view their futures with optimism, they are more likely to wait until completing school to marry or have children.

- ** Recent research shows that the absence of viable prospects for future employment and educational advancement among poor young men and women dramatically reduces the motivation for completing high school and postponing pregnancy and births (12; 23; 25; 33; 34; 70; 71).
- ** Researchers from the University of Michigan Institute for Social Research found that hopeful or optimistic perceptions of future economic opportunities lead to significantly fewer out-of-wedlock births (12, 530).
- ** Diminished employment prospects deter marriage and leads to higher rates of cohabitation, out-of-wedlock pregnancy and births (12; 25; 70; 71).
- ** Prospects for stable and successful careers reduce the likelihood of early pregnancies and births generally, and out-of-wedlock births specifically, among women of all races. People with the poorest economic futures are most likely to have out-of-wedlock births (12; 16, 385).
- ** Research examining the determinants of teenage pregnancy in thirty-seven developed countries found that the higher extent of poverty in the U.S., and the more uneven distribution of U.S. household incomes, are determinants of higher teenage and out-of-wedlock birthrates in the U.S. (30, 16).

CAUSES OF POVERTY

Are Single-Parent Families Causing the Growth of Poverty in the U.S.?

Researchers have employed a variety of methodological approaches to examine the influence of single-parent families on poverty in the U.S. (3; 8; 21; 23). Studies in the past decade have examined the influence on poverty of changes in family structure and generosity of welfare payments. The evidence shows that increases in single-parent families have only a small influence on the growth in poverty, especially when compared to job-related factors.

The empirical evidence shows that single-parent families are not a primary cause of poverty in the U.S.

- * While single-parent families are at much greater risk of social and economic problems, the empirical evidence shows that they account for only a small portion of both childhood and overall poverty (23, 290).
- * Economic factors related to employment, wages, and attainment of skills necessary for productive participation in the labor force, are the primary causes of poverty in the U.S. (3, 231).

Single-parent families are not a primary cause of the overall growth of poverty

- ** In a 1984 study, researchers from the Institute for Research on Poverty calculated that the poverty rate in 1982 was approximately 1.8 percentage points higher than it would have been had family composition not changed since 1967 (21).
- ** A 1986 analysis shows similar effects on poverty of changes in overall family composition over the period 1965-1983. Changes in family composition accounted for a 2.7 percentage points increase in poverty from (8, 68-69).

- ** Another study, using longitudinal data from the Panel Study of Income Dynamics to examine the influence of changes in family-structure on poverty over the period from 1968 to 1982, found that:
 - * The overall poverty rate in 1979 would have been only 1.9 percentage points lower if family composition had remained as it was in 1959 (3, 214).
 - * Changes in family composition contributed virtually nothing to the increase in poverty from 1979 to 1983 (3, 214).
- ** A 1993 Census Bureau study concluded that the post-1959 rise in single-mother families probably accounted for 2-4 percentage points of the 1988 childhood poverty rate (23, 290).
- ** A 1993 Urban Institute review of research on the relationship of child poverty and family structure found that:
 - * The effects of family structure changes on child poverty were greater during the 1970s than during the 1980s, and the effects generally have been greater for Whites than for Blacks (6).
 - * Changes in family structure on child poverty rates are in the range of 1-4 percentage points (6, 98-102).

Economic factors are the primary cause of poverty

- ** Most poverty, even that of female-headed families, occurs because of factors related to employment, wages, and the availability of jobs and employment training necessary for productive participation in the labor force (3, 231).
- ** A 1993 Census Bureau study showed that the increase in poverty between 1969 and 1988 was due mainly to changes in labor markets and the structure of the economy, which made it increasingly difficult for both married and single parents to maintain or improve their economic status (23, 328-416).
- ** The Census Bureau found that economic factors such as low-wage jobs accounted for approximately 85 percent of the child poverty rate in 1988 (23, 385-416).
- ** A 1993 Urban Institute study concluded that the primary causes of the increase in child poverty over the past several decades have been macroeconomic factors related primarily to repeated recessions, and the increasing inequality in earnings among low-skilled, less-educated workers relative to more-skilled, more highly educated workers (4, 92-97).

The Growth of Poverty: What the Empirical Evidence Shows

The evidence shows that while increases in single-parent families have contributed minimally to growing poverty over the last several decades, the primary factors fueling poverty are economic.

The empirical evidence links the growth of poverty to economic and policy changes over the past two decades

- * Declining real wages and earnings
 - * Structural changes in the U.S. economy
 - * Labor force changes
 - * Limits on asset accumulation among poor households
 - * Weakening of the "safety net"
 - * Reliance on means-tested programs versus tax-based policies to reduce poverty
 - * Worsening distribution of income
 - * Greater competitiveness in world trade and technology
-

Declining real wages and earnings

Real wages (wages adjusted for inflation) have been declining for American workers since 1973. Data from the Bureau of Labor Statistics, presented in the 1994 Economic Report of the President, show that from 1973 to 1993:

- * Average hourly wages within private non-agricultural industries fell from \$8.55 per hour to \$7.39, a 13.6 percent decline (13).
- * Average weekly earnings fell from \$315.38 per week to \$254.87, a decline of 19.2 percent (13, 320).

Structural changes in the U.S. economy

Major changes have taken place in the economy over the past two decades, with an increasing mismatch between creation of high-paying, stable jobs and the numbers of workers qualified to fill them. Overall, there has been movement of jobs out of goods-producing industries and into service-producing industries. While there has been rapid growth in higher-paying, high-skill jobs within the service sector, the majority of service-sector jobs are in lower-paying occupations.

According to Bureau of Labor Statistics data, from 1975 to 1990:

- * The proportion of the labor force employed in goods-producing industries (with historically stable high wages) fell nearly 23 percent (63, 44).
- * The proportion employed in service-producing industries increased from 70.5 to 77.2 percent. The largest growth in employment within the service sector over this period was in retail and services, both historically low-wage areas (63, 44).

Labor force changes

Tremendous growth in the number of workers in the labor force has led to a significant reduction in wages. When more people are in the labor force, competition for available jobs leads to downward pressure on wages because employers can hire workers for lower wages. Moreover, during recessionary periods the surplus of labor is exacerbated as production is cut back to match dropping demand for output.

- ** Demographic factors such as immigration and the entrance of "baby boomers" into the labor force led to an overall increase of 54.3 percent in the size of the U.S. labor force from 1960 to 1980 (23, 98-142).
- ** Between 1960 and 1980, the proportion of women ages (16-34) in the labor force increased from 40.3 percent to 61.1 percent (23, 387-388).

- **** From 1960 to 1991 there were six recessions (1960-61, 1969-70, 1973-75, 1980, 1981-82, and 1990-91). Normally unemployment declines within the first 18 months after recovery from a recession begins. However, for the first time in post-war history, unemployment continued to rise during the 18 months after recovery from the 1990-91 recession had begun, leading to higher than normal post-recovery unemployment levels (14, 57-60).

Limits on asset accumulation among poor households

Poor households eligible for low-income programs typically are not allowed to save more than approximately \$1,000 in cash assets, even for a child's future college attendance. Placing limits on asset accumulation for the poor stands in contrast to federal policy for middle class and wealthy Americans which offers tax subsidies to increase their assets.

A 1993 analysis by the House Committee on Ways and Means shows that:

- *** The combined value of cash assets and cars owned by families receiving food stamps typically cannot exceed \$4,750. These asset limitations restrict the ability of welfare recipients to become self-sufficient, and limits their access to jobs which require travel by car (47, 615-624; 48, 324-332).
- *** In nearly half the states, limits on assets for AFDC eligibility also extend to farm machinery, livestock, and tools and equipment which may be essential to employment and livelihood (47, 615-624; 48, 324-332).

Federal policy subsidizes middle-class and wealthy Americans to promote asset development. According to data from the Congressional Joint Committee on Taxation:

- *** The richest five percent of taxpayers received over \$40 billion in tax subsidies in 1993, through deductions for home mortgage interest, real estate taxes, capital gains deferrals on home sales, tax-deferred retirement accounts, and pensions (27).
- *** Total federal subsidies for middle-income and wealthy families come to more than \$140 billion each year, a subsidy that is not available to the poor (27).

Weakening of the "safety net"

Programs intended to cushion American workers from the detrimental effects of recessions (such as loss of jobs and income, or reduction in wages) were weakened during the late 1970s and 1980s. More families fell into poverty as a result.

A 1993 report of the House Committee on Ways and Means found that:

- * From 1970 to 1992, average real monthly AFDC benefits per family fell from \$644 to \$388, a decline of 39.8 percent (48, 615-617).
- * From 1972 to 1992, the average inflation-adjusted benefit levels for AFDC and Food Stamps combined, for a mother and two children with no earnings, declined by 26.2 percent (48, 1240).

A 1993 analysis by the Center on Budget and Policy Priorities found that:

- * Cutbacks in the unemployment insurance program in the 1980s at both the federal and state levels caused the proportion of unemployed workers receiving unemployment benefits to drop to record lows in seven of the ten years from 1980 to 1990 (32, 3).
 - * From 1984 through 1990, the proportion of unemployed workers receiving unemployment insurance ranged between 31.5 to 36.8 percent, much lower than the average coverage of 52.3 percent during the 1970s (32, 24).
 - * Between July 1990 and November 1991, when an emergency unemployment benefits bill was passed, the proportion of the jobless receiving benefits was at the lowest level (41.6 percent) ever recorded during a recession (32, 3).
- ** A 1993 study published by the Census Bureau used various indicators to assess the change in generosity of welfare benefits from 1939 to 1987. The late 1960s and early 1970s were periods of increase in overall levels of support for poor people, but the late 1970s through 1987 (the last year covered by the study) were periods of substantial decline in support levels (23, 292).

Reliance on "means-tested" programs versus tax policies to reduce poverty

Research shows that a major cause of higher poverty rates among American families is that the U.S. relies a great deal on "means-tested" welfare programs. Other industrialized nations, in contrast, rely more on "universal" programs (e.g., child allowances, child support enforcement/assurance, national health insurance, and universal child care), and their tax systems as ways to reduce poverty. The U.S. has made strides in this direction in recent years with expansion of the earned income tax credit (72, 178; 45; 47, 328 & 335).

A 1993 study by researchers at the University of Wisconsin Institute for Research on Poverty, analyzed results from three internationally comparative analyses (based on data from the Luxembourg Income Studies) and found that:

- * Single-mother families in the U.S. have the highest poverty rate of the eight Western industrial countries studied (72).
- * Relatively low benefit levels and an over-reliance on means-tested support programs are important determinants of the low economic status of American single mothers (72, 191-2).

A 1991 study of poverty and welfare in seven Western industrial nations (U.S., Canada, U.K., West Germany, Netherlands, France, and Sweden) by the Joint Center for Political and Economic Studies found that:

- * The U.S. lifts fewer single-parent families out of poverty through taxes and income transfers than any of the other countries.
- * In the Netherlands, Sweden and the U.K., at least 75 percent of all single-parent families in poverty were lifted out of poverty; in France about half; in West Germany a third; in Canada a fifth; in the U.S. 4.6 percent, or less than one in twenty (35).

Worsening distribution of income

The increasingly uneven distribution of household income is a central factor in the growth of U.S. poverty. During the past two decades, the share of income received by the richest 5 percent of Americans increased while the share of income received by the poorest 20 percent of the population decreased.

According to data presented in the 1994 Economic Report of the President, from 1977 to 1990:

- * The share of the nation's income received by the richest 5 percent of Americans increased nearly 25 percent, from 18.6 to 24.5 percent (13, 25).
- * The share of income received by the poorest 20 percent of Americans fell by nearly 25 percent, from 5.7 to 4.3 percent (13, 25).

Census Bureau data for the period 1972 to 1992 show that:

- * The share of the nation's total income going to the richest 20 percent of the population increased from 43.9 percent to 46.9 percent (57, xviii).
- * The share going to the middle 60 percent of the population decreased from 52.1 percent to 49.4 percent (57, xviii).
- * The share going to the poorest 20 percent of Americans declined from 4.1 percent to 3.8 percent (57, xviii).

According to a 1991 analysis prepared by the Congressional Budget Office:

- * The increase alone in the income of the wealthiest 2.5 million Americans from 1980 to 1990 equaled the total income received by the 50 million Americans with lowest incomes in 1990 (49, 1181).

Greater competitiveness in world trade and technology

An increasingly open international marketplace has led to greater competition and reliance on less-expensive foreign labor. This trend coincides with rapid technological advances that have resulted in an increase in demand for highly-skilled labor, and a decrease in demand for low-skilled labor within the U.S. economy.

- ** Research sponsored by the U.S. Department of Labor indicates that integration of world markets, excess production capacity worldwide, a rapidly growing world labor force, decline in wage-setting power among labor unions, and general trends in deregulation of industries by many Western countries, have all contributed to increasing competitiveness within the world economy over the past two decades. This, in turn, has led to greater reliance on less-expensive foreign labor by some U.S. firms. In addition, preferences among American consumers for less expensive consumer goods (produced in countries with lower-wage labor) has led to further declines in availability of manufacturing jobs in the U.S. economy (26).
- ** 1993 research on changes in industry mix within the U.S. economy shows that the shift from manufacturing to services, together with high rates of growth in high-tech computer-related industries, has caused a large decline in demand for low-skilled labor within the U.S., and a large increase in the demand for highly-skilled labor. The National Bureau of Economic Research found that the failure of the U.S. education system and labor force to adapt to these rapid technological advances has worsened unemployment and poverty over the past two decades (31).

Conclusion

Congress stands on the threshold of making sweeping changes in public welfare (AFDC). Many Americans agree that it *is* time to "fix" welfare. But as Washington prepares for the most sweeping domestic policy changes in more than half a century, it is important that policymakers know the empirical evidence about welfare, and incorporate it into their deliberations.

Available scientific evidence directly *contradicts* two of the basic arguments behind current welfare reform discussions in Washington:

- 1) **The argument that welfare is causing the growth of single-parent families is *not* supported by the empirical evidence.**

A major body of research evidence shows that the increase in the number of single-parent families is primarily among households which are *not* poor. Moreover, the evidence shows that there is no causal relationship between welfare and out-of-wedlock births. The alarming growth of single-parent families in the United States is part of a broader trend in industrial nations, one which is linked to social and economic factors.

- 2) **The contention that single-parent families are a major cause of poverty is *not* supported by scientific knowledge.**

Research evidence consistently demonstrates that the growth of poverty in the U.S. is due to fundamental changes in the economy, including the deterioration of real (inflation-adjusted) wages over the past two decades.

Because single-parent families are not the major factor behind the growth of poverty, the empirical evidence does not support the claim that reducing or eliminating welfare benefits will reduce single-parent families and, therefore, poverty. Empirical evidence does show that some of the major changes now under consideration in Congress would likely lead to even *more* poverty in the U.S.

If the goal of welfare reform is to reduce poverty and encourage efforts toward self-reliance, the nation can formulate new policies which will help to achieve this objective. Most other industrial nations follow more effective courses to address poverty and, as a result, have much lower poverty rates than the U.S. Were Congress to fashion a new policy framework based in part on the successful experience of other countries, the United States could enter the new millennium a stronger and more productive nation.

APPENDIX

Welfare Facts

What people typically refer to as "welfare" is Aid to Families With Dependent Children (AFDC). Established by the Social Security Act of 1935 as Aid to Dependent Children, and later renamed, AFDC provides cash payments for families of needy children lacking adequate income support because of parental incapacity, death, absence, or unemployment. States play a major role in operation of AFDC, defining eligibility, need and benefit levels, and administering the program (47, 324).

SIZE OF THE AFDC PROGRAM

- ** In 1972, 5.1 percent of the total U.S. population received AFDC. In 1992 the proportion was 5.3 percent.
- ** In 1972, 75 percent of all children in poverty received AFDC. By 1992 this had fallen to 63.1 percent.
- ** In 1993, AFDC was received by an average of 4.98 million families per month. The average size of families receiving AFDC was 2.9 persons versus 4.0 in 1970.
- ** Families receiving AFDC in 1993 comprised 14.14 million persons, 9.54 million (67.5 percent) of whom were children. That same year 39.3 million Americans lived in poverty, including 14.96 million children.

COSTS AND BENEFITS

- ** In 1993, the total cost of AFDC (benefits plus administration, shared by Federal and State governments) was \$25.24 billion, an amount equivalent to 1.8 percent of total Federal Government outlays.
- ** The Federal Government's share of total AFDC costs came to \$13.79 billion in 1993, or 0.98 percent of total Federal outlays (47, 325).
- ** During the period 1975-1993, Federal Government outlays for AFDC and child support enforcement combined grew at an average rate of 0.1 percent per year when adjusted for inflation and population growth. This compares with annual average growth rates (similarly adjusted) for all means-tested programs together of 3.9 percent, and 11.7 percent for farm price supports over the same period (47, 1265).
- ** After accounting for inflation, the average monthly AFDC benefit per family was \$676 in 1970 and \$373 in 1993, a 45 percent decrease. The average annual AFDC benefit of \$4,476 per family during 1993 was 38.3 percent of the Federal poverty threshold for a family of three (\$11,522).

Single-Parent Families: Facts

Analysis of single-parent families shows that they are a complex phenomenon, arising in six different ways. Married couples can divorce or separate, or one spouse can leave the household or die. In addition, a never-married or previously-married woman can give birth. As seen below, most "single parents" were previously married.

Census Bureau data show that, from 1970 to 1990, the proportion of families maintained by two parents declined from 87.1 percent to 71.9 percent. Over the same period the proportion of families headed by mothers only increased from 11.5 percent to 24.2 percent, while the proportion of father-only families increased from 1.3 to 3.9 percent (54, 20).

HOUSEHOLDS WITH CHILDREN

The Census Bureau reports that in 1993 there were 33.2 million households with children under age 18 in the U.S. (41; 44).

Of the 33.2 million households with children:

74.4 percent (24.7 million) were headed by married couples.

21.7 percent (7.2 million) were headed by single mothers.

3.9 percent (1.3 million) were headed by single fathers.

SINGLE-MOTHER FAMILIES

Of the 7.2 million single-mother families in 1993:

80.6 percent (5.8 million) had either one or two children.

19.4 percent (1.4 million) had more than two children.

CHILDREN IN SINGLE-MOTHER FAMILIES

According to Census Bureau data, in 1993 there were 66.9 million children under age 18 in the U.S., 97.3 percent (65.1 million) of whom lived with one or more parents. Of the 65.1 million children living with a parent or parents, 23.3 percent (15.6 million) lived in mother-only families (and 3.4 percent in father-only families) (41; 44).

Of the 15.6 million American children living in single-mother families in 1993:

64.7 percent (10.1 million) lived with divorced, separated or widowed mothers.

35.3 percent (5.5 million) lived with never-married mothers (35, 31).

39.7 percent (6.2 million) lived in families with at least one adult present in addition to the parent (of these, 66.1 percent - 4.1 million - lived in families with another relative present).

Of the 5.5 million children living with never-married mothers in 1993:

7.4 percent (410,000) lived with teenage mothers (comprising 0.6 percent of all related children in families that year).

67.8 percent (3.7 million) lived with mothers who were 25 years of age or older.

41.9 percent (2.3 million) lived with mothers who were 30 years old or older.

45.4 percent (2.5 million) lived in families with at least one adult present in addition to the parent (of these, 68.0 percent - 1.7 million - lived in families with another relative present).

Out-of-Wedlock Births: Definition and Facts

The term "out-of-wedlock births" is synonymous with births to unmarried women. Out-of-wedlock births are defined simply as births occurring to women whose marital status at the time of birth is divorced, widowed, or never-married. Births to women whose marital status is either "other married, separated," or "other married, spouse absent" are not considered out-of-wedlock (though these mothers are sometimes included among single parents and single-parent families).

BIRTHS TO WOMEN: MARITAL STATUS

According to data from the Census Bureau's Current Population Survey (CPS), there were 3.69 million women in the U.S. who had a birth during the one-year period prior to administration of the June 1992 CPS (53). Of the 3.69 million women who had a child in this one-year period:

75.9 percent (2.80 million) were currently married;

- 71.4 percent (2.64 million) with husband present
- 4.5 percent (0.17 million) with husband absent

24.1 percent (0.89 million) were unmarried;

- 3.8 percent (0.14 million) were widowed or divorced
- 20.3 percent (0.75 million) were never-married

BIRTHS TO UNMARRIED WOMEN

Vital statistics data from the National Center for Health Statistics show that, in calendar year 1992, there were a total of 4.065 million live births in the U.S., to women of all ages and marital statuses (67; 68; 69). Of these, 30.1 percent (1.224 million) were births to unmarried women.

Of the 1.224 million births to unmarried women in 1992:

29.8 percent (0.365 million) were to teenagers (women under age 20 years)

70.2 percent (0.860 million) were to women over age 20 years

34.6 percent (0.424 million) were to women over age 25 years

15.6 percent (0.191 million) were to women over age 30 years

According to vital statistics data, birth rates (the number of births per 1000 women) have increased among unmarried women of all ages, though the greatest increases have occurred among unmarried women over age 20 years. From 1982 to 1992, the overall birth rate for all unmarried women increased by 50.7 percent. However when viewed by separate age intervals, the increase in fertility among unmarried women shows considerable variability, and is greatest among older women (68, 31).

Over the period 1982-1992, the percent changes in age-specific birth rates for unmarried women were:

ages 15-19 -- increased by 55.4 percent

ages 20-24 -- increased by 65.1 percent

ages 25-29 -- increased by 61.0 percent

ages 30-34 -- increased by 73.1 percent

ages 35-39 -- increased by 91.8 percent

BIRTHS TO TEENAGERS

Births to unmarried women below age 20 are frequently of concern for a variety of reasons. Such births can present serious economic and social problems for both mother and child. While nearly 30 percent of births to unmarried women in 1992 were to mothers in this age group, those births comprised only 9.0 percent of total births that year. An additional 0.14 million births occurred to married women under age 20 in 1992 (53, xix).

In 1992, there were 7.85 million never-married females age 15-19 in the U.S. Of these:

95.0 percent (7.46 million) had never borne a child

4.0 percent (0.314 million) had borne one child

1.0 percent (0.078 million) had borne more than one child

GLOSSARY OF TERMS

The Census Bureau provides the following definitions (41, Appendix B).

Households: A household consists of all persons who occupy a housing unit (house, apartment, group of rooms, or single room).

Householder: The householder refers to the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member (excluding roomers, boarders, or paid employees). If the housing unit is owned or rented jointly by a married couple, the householder may be either the husband or the wife.

Families: A family is a group of two or more persons (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such persons are considered members of one family.

Family Households: A family household is a household maintained by a family, and any unrelated persons who may be residing there are included.

Family Groups: A family group is any two or more persons (not necessarily including a householder) residing together, and related by birth, marriage or adoption. A household may be composed of one, more than one, or no family groups.

Related Subfamilies: A related subfamily is a married couple with or without children, or one parent with one or more children, living in a household and related to (but not including) the person or couple who maintains the household. Examples include young married couples (with or without children) sharing the home of the husband's or wife's parents, and single mothers with one or more children sharing the home of a relative.

Unrelated Subfamily: An unrelated subfamily is a married couple with or without children, or a single parent with one or more children, living in a household but not related to the person or couple who maintain the household. Examples include guests, partners, roommates, and resident employees and their spouses and/or children.

Marital Status: Census Bureau marital-status classifications identify four major categories: never married, married, widowed, and divorced. The category married is further divided into "married, spouse present," "separated," and "other married, spouse absent." These categories refer to marital status at the time of a Census enumeration or survey.

Married Couples: A married couple is a husband and wife enumerated as members of the same household. Appearance of "married-couple" or "husband-wife" before the terms household, family, or subfamily as a modifier indicates that these units are maintained by a husband and wife.

Unmarried Couples: An unmarried couple is composed of two unrelated (by birth, marriage, or adoption) adults of the opposite sex (one of whom is the householder) who share a housing unit, with or without the presence of children.

Parent/Child Situations: Though not defined precisely, this term is often used to refer to any living arrangement involving one or more parent and child/children.

Secondary Individuals: Secondary individuals are persons of any age who reside in a household, but are not related to the householder (except unrelated subfamily members). Examples include guests, partners, roommates, resident employees, foster children, and residents of group quarters.

Own Children and Related Children: "Own" children in a family are sons and daughters, including stepchildren and adopted children, of the householder. Own children in a subfamily are sons and daughters of the married couple or parent in the subfamily. "Related" children in a family include all the own children and all other children in the household related to the householder by birth, marriage, or adoption.

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About the Center

The Center on Hunger, Poverty and Nutrition Policy was established at Tufts University in 1990. Its purpose is to advance public policy choices which reduce hunger and poverty and enhance the development and productive capacities of American families and children. The Center carries out policy research and analyses, and works with governmental leaders and the media, to promote greater understanding of policy alternatives for the nation.

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File HRC



*File Issues
Welfare Reform*

January 11, 1995

DREW E. ALTMAN, PH.D.
PRESIDENT

Ms. Margaret Williams
Chief of Staff
Office of the First Lady
Old Executive Office Building
Room 100
Washington, DC 20500

Dear Ms. Williams:

Enclosed are the results of a new Kaiser Family Foundation/Harvard survey on welfare reform we will be releasing in Washington, D.C. on Thursday, January 12.

We found strong support for time limits, denying additional benefits for women who have children while on welfare, caps on welfare spending, and state flexibility. We also found that support for these policies falls off if people believe that they will be implemented in a way that leaves low-income people without some means of basic support.

We would be happy to provide a detailed briefing to you or your staff if that would be helpful.

Sincerely yours,

Drew Altman
Drew E. Altman

DEA:lam
Enclosures

*File
Welfare
Reform*

News Release

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9:00 a.m. EST
Thursday, January 12, 1995



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SURVEY SHOWS "TWO FACES" OF PUBLIC OPINION ON WELFARE REFORM Americans Support Time Limits and Tough Work Requirements, But Reluctant to Abandon Those In Need

Public Defines Welfare Broadly Understands Key Details of Welfare Programs

Menlo Park, CA -- A new Kaiser/Harvard survey of Americans nationwide has found that the public supports strong welfare reform measures, such as time limits and work requirements, but is reluctant to simply cut people off and leave them without some means of basic support.

The survey identifies four core beliefs that shape the public's policy preferences. Two lead the public to support time limits and other strong welfare policies: the belief that welfare causes more harm than good because it discourages work and causes family break up, and the belief that welfare costs the taxpayer too much money. But two other core beliefs make the public concerned that these same strong policies will leave low income people without basic support: the belief that lack of economic opportunity as much as personal responsibility is the reason people need welfare, and the belief that both government and people themselves have a shared responsibility for ensuring that people have a minimum standard of living.

Two-thirds (68%) of Americans favor ending welfare payments after two years for all able-bodied welfare recipients, including women with pre-school children, and requiring them to take a job. But support for cutting off payments drops to 26 percent if the job pays low wages that would make it difficult to support a family, and to only 16 percent if the person is unable to find a job.

Large majorities favor government providing job training (87%) and public service jobs (74%) for people on welfare, and providing child care to low-income mothers who work or are in job training (85%). After education, training, health and child care benefits have been provided, 56 percent believe welfare recipients should be required to do community service work in exchange for continued benefits or have benefits cut off after a specified period of time. Only 10 percent believe the government should end all aid under these circumstances, and 25 percent believe the government should cut recipients off only after guaranteeing they have a job.

-- more --

The public's desire to "do something" about welfare is also reflected in support for limits on welfare. Majorities favor requiring mothers to report the name of a child's father before they can receive welfare (81%), setting limits or denying welfare to non-citizens, including most legal immigrants (64%), denying additional benefits to women who have more children while on welfare (59%), and government limiting how fast welfare programs can grow, regardless of how many people may need assistance (capping welfare) (57%).

Nearly equal proportions of Americans say: 1) "We shouldn't let people who can't get or hold a job go hungry or homeless, and we need to continue welfare payments to these people" (44%), and 2) "We should have a firm limit on how long people can stay on welfare, regardless of the consequences, in order to get them to work" (43%).

"The jury is still out on what the public will support on welfare reform. At the moment they want four things that may be incompatible -- get people off welfare within two years, get them jobs that provide a minimum standard of living, don't let families suffer severe hardship, and don't raise taxes or cut government programs to do these things," said Drew Altman, Kaiser Family Foundation president and former welfare commissioner in New Jersey under Governor Tom Kean.

Two-thirds of Americans (66%) oppose a proposal that would end welfare benefits for unmarried women and their children if that meant some of the children would have to be cared for in group homes or orphanages. If such a proposal were enacted, the public overwhelmingly prefers having the government pay for group homes where mothers and their children live together (56%), rather than providing orphanages for the children (8%) or doing nothing (8%). A fourth of respondents said none of the above.

One important caveat should be added. The public is not prepared to sacrifice very much to see reforms enacted. Only about half are willing to pay more taxes or see other programs cut to provide job training (53% willing to 40% unwilling) and public service jobs (47% to 45%).

Awareness of Reform Proposals

At this early stage, the public is not yet following the welfare reform debate closely. In sharp contrast to the 47% who said in October 1993 that they were following news stories and other information about health care reform very closely (Kaiser/Harvard Survey, October 1993), only 13% say in this survey they have been following stories about welfare reform very closely.

Only three in ten Americans say they understand President Clinton's welfare proposals very (5%) or fairly well (25%). A similar proportion understand the Republican proposals very (7%) or fairly well (24%).

"Americans do not yet know the consequences of the various welfare reform proposals," said Dr. Robert J. Blendon, Professor and Chairman of the Department of Health Policy and Management at Harvard University. "As the debate continues and begins to focus on the implications of particular proposals -- whether they be severe negative consequences for individuals and families or increased taxes or cuts in other government programs -- the public is likely to become more cautious."

Welfare Spending

Asked to choose from a list of six areas which two consumed the largest share of federal spending, only 14 percent correctly named Social Security and 37 percent named defense as one of the top two. Four-in-ten Americans (40%) thought welfare was one of the two largest areas of federal spending.

When asked to define welfare, the public identified the following six major federal government programs from a list of nine as being welfare programs: food stamps (93%), AFDC (Aid to Families with Dependent Children) (85%), public housing (85%), WIC (the Women, Infants, and Children program) (72%), the school lunch program (62%) and Medicaid (60%). Most did not regard Supplemental Security Income (SSI), the federal cash assistance program for the aged, blind, and disabled, as welfare. These six major programs labelled by the public as welfare make up 10.2 percent of the 1993 budget, ranking behind defense (21%) and Social Security (21%), and equal to Medicare (10.2%).

State and Federal Roles

The public wants to see the states play a major role in welfare reform. Given four choices, a majority (52%) thought government officials should experiment with reform at the state level, compared to 29 percent who preferred reform at the national level, 7 percent who wanted to leave welfare as it is, and 6 percent who would prefer to eliminate all welfare benefits.

But Americans are wary of letting states determine their own policies without some federal guidelines. While 36 percent thought each state should determine the best way to aid poor people, 50 percent believed the federal government needs to set guidelines when it gives money to states, in order to assure they will treat everyone fairly and do the right thing for poor people.

A majority of Americans (58%) also favor a "swap" proposal, where states would be in charge of welfare and the federal government would take responsibility for paying for the health care of poor people, instead of both responsibilities being shared as they are now. Twenty-four percent are opposed, and 18 percent said they didn't know.

Core Beliefs and Values

Americans' beliefs about what policies and reforms should be enacted can be related back to four core values they hold about welfare and poverty:

1) Americans see the welfare system as doing more harm (56%) than good (33%) because they believe it encourages the breakup of the family and discourages work. The overwhelming majority (81%) think that most welfare recipients are able to work. The idea that welfare discourages people from working was identified by half of Americans (49%) as what bothers them most about the current welfare system ranking far ahead of concerns such as costing taxpayers too much (14%) and causing families to break up (13%). Two-thirds (68%) say that welfare encourages women to have more children than they would have if they were not able to get welfare.

2) Most Americans believe the country spends too much (64%) or the right amount (17%) rather than too little (12%) on welfare. They are somewhat divided in their willingness to pay more taxes or see other programs cut to provide job training (53% willing to 40% unwilling) and public service jobs (47% to 45%). The public is also split nearly evenly on whether people who receive money from welfare could get along without it (46%) or really need this help (44%).

3) Americans perceive a variety of reasons for people being on welfare, some rooted in individual responsibility and others in social conditions and lack of economic opportunities. When questioned about possible reasons people are on welfare, most often rated as major reasons were: welfare pays better than some jobs do (71%); people choose not to work (65%); poor education (64%); and women having babies in order to collect additional welfare benefits (62%). Americans are split on whether welfare recipients really want to work (40%) or choose not to (47%). More broadly, 38 percent believe lack of personal effort is the main reason for poverty in the U.S.; 42 percent lack of opportunities and jobs.

But the public also sees economic and social obstacles that prevent people from leaving welfare. The vast majority of Americans (72%) believe there are jobs for most welfare recipients who really want to work. But only 22 percent believe that most of these jobs pay enough to support a family. While 42 percent say "It's important for a mother with young children to stay at home even if it means having to provide her with welfare," 35 percent believe "We should not pay welfare to mothers with young children because it's so important that people work." The survey suggests that because Americans believe that both individuals and society share in the responsibility for people being on welfare, Americans' support for reform proposals may decline if they think that the reform will not lead to a minimal standard of living or will create severe hardship for families.

4) Most Americans believe that government and welfare recipients have a shared responsibility for ensuring that people have a minimum standard of living. Asked who should be primarily responsible for making sure that non-working low-income people have a minimum standard of living, a majority (57%) said that responsibility should be shared between government and people themselves, friends, and voluntary agencies; 26 percent said people themselves and friends and voluntary agencies; and only 14 percent said government should be primarily responsible. Significantly, however, most of those who believe in shared responsibility want government's role to last only for a limited time (71%). Only 25% said government responsibility should last "as long as it takes." The theme is clear: the public believes that able-bodied people have an obligation to help themselves, but also that government has a role in maintaining a safety net for a reasonable but not unlimited period of time.

Public Knowledge

With some significant exceptions, the public is reasonably well informed about the welfare system. For example:

- the public (90%) knows that more women and children are on welfare than men. (In 1992, two-thirds of AFDC recipients, or 9.2 million, were children);

- a majority of the public (57%) knows responsibility for running welfare is shared between federal and state governments. (Federal funds pay on average 55% of AFDC benefits plus 50% of administrative costs);
- a plurality (32%) knows how much public assistance mothers are receiving each month. (The average benefit in 1993 was \$399 per month for a family of three);
- seventy-one percent say that they know what Medicaid is and 43 percent know that it pays not only for hospital and doctor services for poor adults and children, but also for services for the elderly in nursing homes and the blind and disabled. (The public was least knowledgeable about Medicaid financing for the blind and disabled, the program's fastest rising major cost).
- the public overwhelmingly believes most people on welfare are minorities. (In 1992, 39 percent of AFDC recipients were white, 37 percent black, 18 percent Hispanic, 3 percent Asian, 1 percent Native American, and 2 percent unknown);
- when asked how long people stay on welfare, 43 percent said continuously until their children grow up, 26 percent said on and off until their children grow up, and 15 percent said a few years before leaving welfare for good. (Thirty-four percent stay on welfare less than one year and another 44 percent for up to five years. A majority of those who leave welfare return later to the welfare rolls. Welfare dependency is characterized more by repeat spells of dependency than continuous dependency on public assistance.)

Methodology

The Kaiser/Harvard Survey was a random-sample, telephone survey of adults nationwide. The national sample consisted of 1,200 adults and was conducted between December 27 and 29, 1994. The survey was designed by the Harvard University School of Public Health's Department of Health Policy and Management and the Kaiser Family Foundation, and was conducted by KRC Communications Research, a national opinion research firm located in Newton, Massachusetts. The margin of error in the national sample is plus or minus 3 percent. The survey is the first conducted under a new program, the Kaiser/Harvard program on the Public and Health/Social Policy, designed to monitor public knowledge, values and beliefs on health and health-related issues.

The Kaiser Family Foundation, based in Menlo Park, California, is a non-profit, independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries. The Foundation's work is focused on four main areas: health policy, reproductive health, HIV, and health and development in South Africa. The Foundation does not support any particular proposal or approach to welfare reform.