Welfare- Critics

PHOTOCOPY
PRESERVATION

The Results Are In: Welfare Reform Works

By Nancy L. Johnson

This week marks the third anniversary of the historic 1996 welfare reform law. The law is working better than anyone ever dared to hope. A host of studies now provide good information on the four major questions about the effects of welfare reform:

• *Have caseloads declined?* Yes, by 45% on average since states began implementing welfare reform programs in 1994. Declines of this size in a major welfare program have no precedent in the history of American social policy.

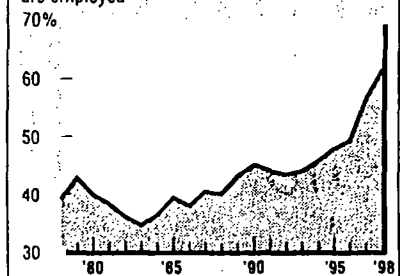
• *Are mothers working?* There is strong evidence that most of them are. The General Accounting Office, which recently surveyed the most reliable state studies of mothers leaving the rolls, concluded that at the time of the surveys, around 60% of the mothers were employed. Moreover, about 80% had been employed at some time since they left welfare. According to data from the Bureau of Labor Statistics, since 1995 more female family heads have entered the labor force than ever before. Even more impressive, as the chart shows, over the past four years there has been a 40% increase in work-force participation by never-married mothers. No one, not even conservatives, predicted work increases of this magnitude.

• *Do their families have more income?* There are no reliable national data on the income of mothers leaving welfare. But we can examine changes in the income of all poor and low-income mothers. According to the Census Bureau, those whose incomes were in the bottom 20% of mothers—averaging about $6,500 in 1997—had income increases of nearly $500 between 1993 and 1997. Thus this bottom group, which includes most mothers on welfare and some who left welfare, is somewhat better off than in 1993.

The big story concerns the income of mothers in the next bracket, who had average incomes of $13,500 in 1997. These mothers lost about $1,500 in cash welfare and food stamps but gained nearly $3,000 in earnings and the earned income tax credit over the period. Combine this with modest increases in child-support payments and nonwelfare government benefits, and these mothers were about $1,500 better off in 1997 than in 1993. Here is the group of mothers that represents the greatest success of welfare reform.

Working Moms

Proportion of never-married mothers who are employed



Source: Brookings Institution

• *Have they escaped poverty?* If mothers leaving welfare were falling into the abyss, poverty rates would increase or at best stagnate. Opponents of welfare reform predicted it would cast a million children into poverty. In fact, both overall poverty and child poverty declined in 1995, 1996 and 1997, the latest years for which we have data. Poverty among black children declined more in 1997 than in any previous year.

The official poverty measure understates the true level of progress. To understand why, consider that before welfare reform, of the families on welfare at any given moment, the average length of stay was nearly 13 years. These families could not escape poverty, because welfare did not provide them with enough income.

But now the nation has a new antipoverty strategy in place. It has two major parts, one widely known and debated, the other virtually unknown. The first, of course, is the reformed cash welfare program. By providing a no-nonsense set of incentives and sanctions, the 1996 reforms have made it very difficult for able-bodied adults to stay on welfare without working. The reforms promoted self-sufficiency by giving those who needed it a push.

The second part provides an incentive to get off welfare and stay off. This year the nation will spend at least $80 billion providing low-income working families with cash income supplements through the tax code and other benefits such as child care. According to the Congressional Budget Office, some $45 billion of this amount is directly attributable to legislation enacted since the mid-1980s.

This new work-support system means that mothers who take minimum-wage jobs are far better off than mothers on welfare. Even under the official definition, poverty has been declining since 1994—the year the great exodus from welfare began. But this definition does not count most of the benefits provided to workers through the new work-support system. If we use a Census Bureau measure that counts these benefits, we find striking evidence that welfare reform is reducing poverty more than ever before.

During the six peak years of the economic boom of the 1980s, poverty among children measured in this more comprehensive way declined by about one-sixth. During just the first four years of the current economic boom, 1993-97, poverty among children declined by fully one-fourth. The combination of a demanding welfare system and a generous work-support system is transforming American social policy and helping millions of mothers and children escape poverty through their own efforts.

No policy is perfect. Some mothers and children leaving welfare are not getting the Medicaid and food stamps for which they are eligible. There is also some indication that a small group of families at the bottom of the income ladder is worse off after leaving welfare.

But these problems, now being addressed by both federal and state governments, should not obscure the dramatic successes of welfare reform. Welfare rolls are down, work by previously dependent adults is up, income is up, and poverty is down. The number of mothers who have learned to earn their own money, escape welfare dependency and set an example for their children is astonishing. The greatest triumph of welfare reform is that these mothers have joined mainstream America and are now on the first or second step of the economic ladder. They and their children are better off, and so is America.

Ms. Johnson (R., Conn.) is chairman of the Human Resources Subcommittee of the House Ways and Means Committee.

THE WALL STREET JOURNAL

TUESDAY, AUGUST 24, 1999

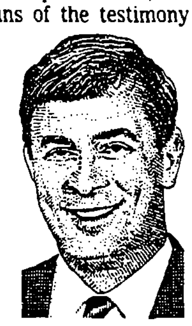
Judgment in Massachusetts

By Dorothy Rabinowitz

The justices of the Supreme Judicial Court of Massachusetts have delivered an opinion reinstating the convictions won by the prosecutors in the Fells Acres Day School case—a decision that ensures Cheryl Amirault will be going back to prison, probably within a month, and undermines all hope for a successful state court appeal for her brother, Gerald, behind bars since 1986.

The opinion is a telling document, as much for what the judges left out as for what they put in. Indeed, a reader who came to it knowing nothing about this prosecution would have been hard put to find in this decision any of the reasons this case had won such notoriety; nothing of the frenzied interrogations, the mad pleadings of interviewers exhorting children to *tell*, of the process by which small children were schooled in details of torments and sexual assaults supposedly inflicted on them in secret rooms—matters, the record of these interviews reveals, that the children clearly knew nothing about.

The justices, in short, decided to confine their attention to matters that were in their view more significant than all that is now known about this prosecution, its foundation, the origins of the testimony that had led inexorably to the Amiraults' jury convictions. The unanimous opinion, written by Chief Justice Herbert P. Wilkins and signed by Justices John M. Greaney, Margaret H. Marshall, Ruth I. Abrams, Neil L. Lynch and Roderick L. Ireland—confines itself largely to the arguments that the issue of tainted children's evidence was not new, that it had been presented at the original trials, and that the jury had, after all, believed the children anyway. The principle of "finality" would be compromised, the justices held, if they sustained the motion for a new trial in this case merely because more was now known about investigative tactics that could "cause a child witness to state false facts."



Paul Cellucci
Pardon me?

'Finality'?

One can doubt whether the justices will achieve their cherished finality. The issue is headed either to federal courts or to the desk of Gov. Paul Cellucci, who could use the pardon power to reverse a clear miscarriage of justice. While Mr. Cellucci has maintained a careful silence about the Amirault case, last fall he narrowly defeated Scott Harshbarger, then state attorney general and now head of Common Cause, who has consistently defended the victory he won as the original Amirault prosecutor.

That the Amiraults' trials were held amid a wave of child-abuse prosecutions—a time when it would have taken a rare juror to resist the reigning imperative to "believe the children," the children who had so bravely stepped up to the witness stand, and "children don't lie"—evidently did not enter into the justices' concerns. Neither, apparently, did all the evidence of the investigative tactics that had driven the children to extremes of fantasy, charges of marauding robots, murdered squirrels, attack by butcher knife—none of which seem to have raised any questions about the credibility of the child witnesses. For it was understood, thanks to the strange new legal standards in evidence in American courtrooms during the great mass-abuse trials pitting toddlers against the accused—most of them nursery school teachers—that the jury should feel free to disregard any parts of the witnesses' testimony that were clearly incredible, the witnesses being children.

In such a time and atmosphere, in courtrooms where such standards for witness credibility prevailed and jurors were repeatedly reminded by the prosecutors of how much courage it had taken for these children to come forward, jurors voted to believe the children. In such ways did the false facts delivered by child witnesses result in convictions of the innocent, a matter with which the justices—engaged with their higher duty to the doctrine of finality—were not disposed to concern themselves.

Across the nation courts have taken account of these matters. Kelly Michaels was freed from prison in New Jersey after serving five years, her conviction reversed. A federal courts freed Grant Snowden, the target of State Attorney Janet Reno prosecutions, after he served 11 years. And in Massachusetts, lower courts freed Cheryl Amirault and her mother, Violet (who died after release). But last week's Supreme Judicial Court opinion could have come as no shock to anyone acquainted with the record of these justices in this case—not least the justly famed 1997 decision reinstating the convictions of Cheryl and Violet in the interest of "finality." The Supreme Judicial Court had also denied the Amiraults' first appeal, in 1990.

Then, in 1993, came its decision blocking an order that would have revised the women's sentences and freed them. Violet and Cheryl Amirault had by this time been imprisoned nearly seven years and been denied parole on the grounds that they refused to admit their guilt—or, as the current psycho-speak has it—refused to "take responsibility" for their actions. Even back when they were convicted in 1986 this refusal had become an issue—something of a crime in itself, if one were to believe the trial prosecutor Lawrence Hardoon, who more than once held forth on the new torments the Amiraults were inflicting on their many victims by their failure to admit guilt.

Still, in 1993, when the women's former trial judge, John Paul Sullivan, saw that the Amiraults would never agree to any confession, even if it meant being denied parole—and that Violet and Cheryl could consequently end up serving a full 20-year sentence—he issued a "revise and revoke" order cutting their sentence to time served. The prosecutors, much invested in this case, which had brought them plaudits, publicity and career advancement—ex-prosecutor Lawrence Hardoon now was well ensconced in a new career as a lawyer specializing in child sex-abuse cases—quickly filed a brief opposing the women's release. The justices of the Supreme Judicial Court responded with a decision overturning Judge Sullivan's order. No one could remember any case of a trial judge's revise-and-revoke order being vacated by this state's highest court.

Now comes the latest opinion, in keeping with all the rest. Given this record, it was unreasonable to suppose that the members of this court could now bring themselves to issue a decision that cast doubt on the wisdom of all their previous rulings in this case.

In the pages of their opinion we find evidence that the justices also adopted the wisdom and the language of the state prosecutors and their experts-in-abuse. In their rebuke to Superior Court Judge Isaac Borenstein, who delivered a scathing report on the fabrications on which the prosecutors had built this case—the justices held that he had failed to take into account the child witnesses' symptoms "that were consistent with abuse." Here was the concept crucial to every prosecutor of these cases—the idea, namely, that certain forms of behavior exhibited by children could stand as evidence of abuse—a strategy of no small importance, given that prosecutors who built their cases on fabricated child testimony could offer nothing by way of actual evidence.

The symptoms cited in these cases as being consistent with abuse, and reported by the parents of the supposed victims, included fighting, sleeplessness, separation anxiety, aversion to certain foods, bad temper and bedwetting. The possibilities were endless. That such behavior is commonplace in childhood did not of course figure in the proposition put to the juries in these cases—that they were symptoms of abuse. Nor, apparently, did this fact enter the considerations of the justices sitting on the Supreme Judicial Court.

None of the children's symptoms attracted more attention or was cited more often than signs of "hypersexual behavior"—signs offered as proof that the children had suffered abuse. The same children in whom these signs were observed invariably exhibited them after the abuse investigators had arrived—after, that is, their parents and the investigators had subjected them to days of talk about bad touching, and genitals and pee-pees and clowns pulling their pants down. It should not have been surprising that children immersed in this process should show signs of increased sexual awareness.

During the oral argument before the Supreme Judicial Court in May, one of the justices remained silent throughout (as did most of the others), but for one question, which he asked repeatedly. Namely, wasn't it true that the children had shown some sort of signs of sexual activity?

'Stick a Fork in Them'

The justices have spoken, and rendered the future undeniably bleaker for the Amiraults. Joyful over this result, one true believer who had filed a brief on behalf of the prosecution proclaimed: "Stick a fork in them. They're done."

An unlikely assumption. The case will not be going away. Too much is known now, too much revealed. The Amiraults' lawyers are considering their next steps, which could include appeal to the federal courts and an application for pardon to Gov. Cellucci. And over the weekend Judge Borenstein—the second judge to reverse the Amirault women's convictions—ordered state prosecutor, the Amiraults and their lawyers to appear before him in open court Aug. 30. What the judge intends to say no one knows, though it is a certainty that none of it will bear any resemblance to the view of justice propounded by the members of the Supreme Judicial Court.

Ms. Rabinowitz is a member of the Journal's editorial board.

THE WALL STREET JOURNAL
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Welfare Happy Talk

THE THIRD anniversary of welfare as we now know it—the program the president and Congress did not so much create as abandon in 1996 when they shifted near-total responsibility to the states—has occasioned the usual round of evaluations. Defenders in Congress, the White House and elsewhere proclaim it a huge success. They note not merely that the rolls are sharply down but that most of the mothers who have left the dole are working. What better evidence that the prior program, with its guarantee of support for low-income mothers whether they worked or not, was an invitation to the idleness that it supported and mistook for need?

Critics respond that the program remains untested. The test, they say, will be what happens to the children the program used to support—about an eighth of all children in the country—when the economy turns weak, as eventually it will; the states run out of the extra money they were given at the start of the program in return for their support; and the tougher provisions in the law take hold, including its five-year lifetime limit on welfare supported with federal funds. The decline in the caseload, which began before the law was passed, partly reflects the continuing strength of the economy and partly a new toughness on the part of the states; that much is generally agreed. But a falling caseload is not the measure of a successful policy, the critics say; if it were, the solution to the poverty problem would be to abolish aid.

Our instinct is to agree mainly with the critics. We opposed passage of the law and continue to think it was a mistake and a sellout on the part of the president. The notion of pressing welfare recipients to work is right, and plainly has helped move off the rolls some people who didn't need to be there and who otherwise would have stayed. The number of former recipients now working is impressive—a real accomplishment. The problem is what happens to people at the other end of the spectrum, who, because of the state of the economy or their own inability, genuinely can't make it. The legislation gratuitously stripped such folk of federal protection they had previously enjoyed, and the president, who could have held out for more on their behalf, instead signed, for political reasons, a bill his own administration had earlier rightly said was insupportable. The floor beneath the poor is lower and weaker as a result, and didn't have to be.

The current evaluations only hint at all of this; no one knows for sure how the program will play out. The Urban Institute sponsored a study of women who left welfare in the period just after passage of the law. About a third had returned to the rolls by the time they were interviewed. About 60 percent of the rest were working. They were doing more or less as well as single mothers who had not previously been on welfare. That was both the good and bad news, since it meant they were having to struggle to make ends meet. Part of the problem was that they were not receiving benefits—food stamps, Medicaid—to which they remained entitled. Those had somehow been lost with their welfare. The study also cautioned that these women who left welfare first in a strong economy may have been the ones most capable of making it on their own. "Future groups of leavers may have different experiences, especially if they face a less favorable labor market," the study observed.

A second study, sponsored by the Center on Budget and Policy Priorities, found that incomes of low-income female-headed families had been rising just prior to welfare "reform." The average then fell in the period 1995 to 1997, despite continued economic growth; the reason was a fall-off in federal benefits. The suggestion was that vulnerable people were being stranded even in the earliest stages of welfare reform. But the data are cautionary only.

The debate about welfare reform—on balance, did it help or hurt?—is going to continue for years. The data will never be conclusive, in part because it is a debate about a hypothetical—what would have happened in the absence of a change in the law?—and in part because it is a fight about philosophy. The old welfare system perpetuated dependency; it has few defenders. The new, in which federal responsibility for child welfare has been greatly reduced, seems to us to have swung too far the other way, and to have done so unnecessarily. In tougher times, when jobs for moms are scarcer and the states are facing budget problems of their own, who will support the considerable number of children at the bottom of the economic heap? That's the unanswered question.

Welfare - Critics

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The Berlin Republic

FOR THE FIRST time since World War II, Germany's leaders are operating out of Berlin. The capital has moved—or at least the long and expensive process of moving capitals has been punctuated by the relocation of the prime minister's office. Inevitably, the move from the famously sleepy town of Bonn to the old imperial center is about more than geographic convenience. The birth of "The Berlin Republic," as Germany's premier now styles it, is about the country's place in Europe and the world, both past and future.

Seeing the government move into buildings that once housed Hitler's ministries inevitably causes discomfort to some. The city that became a symbol of the fight against Communist tyranny was earlier a symbol of undiluted evil. But Germans, by facing their history and coming to terms with it, have earned a right to make this move without arousing untoward suspicion. More than Japan, more than any other modern society, Germans have wrestled with questions of collective guilt and responsibility. West Germany's half-century commitment to near-pacifism was one outcome of that process. The country's more recent participation in a just war to save the Kosovars, as part of the NATO alliance of democracies, marked a further step in its recovery from Nazism.

Germany still will be watched warily by its neighbors. That wariness, heightened by reunification, will rise another notch based on this move. The country will be judged on how it controls its skinheads and neo-Nazis, how it continues to handle issues of reparations, how it deals with the question—vexing for all of Western Europe—of immigration from poorer countries and treatment of newer arrivals.

Most of all, though, history is likely to judge the Berlin Republic by how generously and openly it helps knit Europe back together—by the role it plays in bringing the Baltics and Balkans into Europe's prosperity, by how it reaches out to Russia and Ukraine, by its continuing efforts to strengthen ties with neighboring Poland and the rest of Central Europe. In these endeavors, a Berlin-based Germany once again must play a leading role in Europe, not as aggressor this time but to help anchor peace and democracy.

Irony and Alan Greenspan

THERE IS a peculiar paradox about Alan Greenspan. No public official in Washington is more revered than the Federal Reserve chairman, who has presided over eight years of economic expansion. And yet, in one important respect at least, he seems oddly marginal. He has long suspected that the stock market may be overvalued; and yet he can do nothing about it. In fact, his exalted reputation may make the problem worse.

Yesterday Mr. Greenspan pushed short-term interest rates up by a quarter of a percentage point, the second such move of the summer. According to the textbooks, higher interest rates mean a lower stock market, partly because they reduce corporate profits and partly because they suck investors' money out of equities and into bonds. In this instance, however, the textbooks were upended. Anticipating the rate hike, the Dow Jones Industrial Average jumped 199 points on Monday, and yesterday it held on to nearly all of that gain.

Nobody really knows why markets jump. But one theory is that Wall Street sees a rate rise as a reassuring sign that Mr. Greenspan is on top of things, so it is okay to party on. Of course, if the Fed had left interest rates stable, Wall Street would have partied on anyway, believing that Mr. Greenspan had scoured the horizon for inflation and seen none. In short, Wall Street is so confident in the Fed chairman that it appears to think nothing can go wrong under his leadership. Even a blatant effort by Mr. Greenspan to talk down stock prices, as when he spoke of the market's "irrational exuberance" three years ago, has no impact on investors' optimism.

This leaves Mr. Greenspan in an uncomfortable position. He can trust that yesterday's interest rate move will head off gentle inflation in consumer prices. But he cannot hope that it will dent the rampant inflation in stock prices. The higher Wall Street goes, the likelier it is that the eventual correction will be nasty, hurting investors enough to cause a sharp drop in consumption and hence an end to growth. It is a cruel irony that Mr. Greenspan's reputation may be contributing to the bubble, since that same bubble threatens the prosperity on which his reputation has been built.

The Washington Post

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