



# Looking Forward, Looking Back

## Reflections on the 10th Anniversary of Welfare Reform

Nancy K. Cauthen  
Deputy Director, NCCP

AUGUST 2006

As we approach the 10-year anniversary of the signing of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly referred to as “welfare reform,” pundits are rushing to declare the effort either an unqualified success or an utter disaster. Despite the hype, most of us know that the truth lies somewhere in between. There have been undeniable successes, yet significant policy challenges remain. Welfare reform is not over.

### The Consensus about Work: Righting an Old Wrong

Perhaps the greatest achievement of the 1996 reform effort was the bipartisan consensus on work: the primary goal of the newly created Temporary Assistance for Needy Families (TANF) program was to require adult recipients to work or prepare for work as a condition for receiving benefits. Despite many disagreements about specifics (for now, I’m placing aside concerns about the newest federal requirements), these pale in comparison to the accomplishment of placing work at the center of temporary assistance policy. This profound development rectified a fundamental flaw in the original federal welfare program, Aid to Dependent Children (ADC).

When the program was created in 1935 as part of the Social Security Act, most mothers were not employed. In fact, the program was designed to keep mothers out of the labor force. Its intended recipients were children in families where the father had died, deserted the family, or was unable to work because of disability. By providing cash assistance, policymakers hoped to allow these single mothers to remain home to care for their children. At the time, employed single mothers risked having their children removed from the home.

What most people don’t realize is that an alternative approach was considered but rejected. The policy that prevailed focused on ensuring that children had maternal care at home. The alternative proposal did this as well, but it also emphasized the lack of income from employment. It would have provided aid to children living in homes “in which there is no adult person, other than one needed to care for the child or children, who is able to work and provide the family with a reasonable subsistence compatible with decency and health.” In short, the failed proposal linked the family’s need for assistance to the absence of income from employment rather than to family structure.

By highlighting children's need for nurturing care as well as their need for income from a parent's employment, the alternative might have resulted in a more flexible policy—for example, one in which family and employment policies were coordinated, rather than inhabiting different worlds. It might have led to a more constructive path for ADC. We will, of course, never know.

## The Politics of Welfare and Media Sensationalism

The creators of ADC could not have imagined the radical economic and social transformations that would render their policy obsolete. The primary causes of single motherhood soon began to shift, from death and desertion to divorce, separation, and childbearing outside of marriage. At the same time, as Southern agriculture mechanized, large numbers of impoverished African Americans moved from the rural South to Northeastern and Midwestern cities in search of work. Over time, more mothers entered the labor force and social attitudes about women working outside the home began to change.

Social policy changed as well. The Old-Age Insurance program, commonly known as Social Security, added a survivor's benefit and eventually one for disability. Spouses and children of workers who died or who became disabled could turn to Social Security instead of ADC. As of 1974, means-tested benefits for the indigent elderly and disabled who did not qualify for Social Security benefits were provided through Supplemental Security Income (SSI). In short, more generous programs gradually siphoned off the most politically sympathetic families from ADC, which went from serving a "pitied" population to one that was perceived as "undeserving."

None of this satisfactorily explains why aid recipients were pilloried by politicians and the press as early as 1950. Political speeches and magazine articles lambasted recipients, blaming public aid for causing moral laxity and laziness and for encouraging fraud—despite the lack of evidence for any of these claims. Initially, most of the wrath was directed at unemployed men who had deserted their wives and children; the exemplars were typically white. But as AFDC (in 1962, ADC was renamed Aid to Families with Dependent Children, or AFDC) grew in size, especially after caseloads exploded in the 1970s, politicians, pundits, and the public increasingly directed their anger at black, never-married mothers, despite the fact that the largest group of recipients was white children. Welfare politics have rarely been only about welfare.

Given the vast amount of attention that policymakers and the media have devoted to welfare over the last 50 years, ordinary citizens can be forgiven for thinking that it's the nation's largest social program. This is, of course, patently false. In 2005, 4.5 million individuals (of whom only about a million were adults) received TANF benefits, in comparison to the 48 million who received Social Security checks. Annual government spending on TANF for basic support is around \$10 billion, while Social Security costs now exceed \$500 billion. More children benefit from Social Security (because a parent has died or become disabled, or because an adult household member is eligible) than receive TANF. It would be helpful if the media would take more responsibility for placing these programs in perspective.

Fortunately, mainstream media provide far less blatantly sensationalistic coverage of welfare than in years past. But they continue to stereotype both TANF recipients as well as the poor

in general as black. Moreover, the media has a penchant for offering in-depth portrayals of African-American single mothers with five or six children, despite their statistical rarity; more than 90 percent of poor single mothers have only one, two, or three children.

I have asked reporters why they profile atypical families. Their responses are always similar: something along the lines of “it makes for a more compelling story.” I always respond that this contributes to misinformation about the poor and reinforces stereotypes about blacks and about welfare. They typically say “interesting point” and publish their stories anyway. To be fair, the media do not create these stereotypes—the stereotypes persist because they resonate with views that Americans already hold. But their perpetuation has been an obstacle to sensible policy—not to mention damaging to delicate race relations.

## Where Do We Go From Here?

Given the status of welfare policy 10 years after the 1996 reforms, I would like to offer three major policy strategies for improving the well-being of low-income children and their parents.

### Make Work Pay

The consensus about work has led to a more constructive debate regarding welfare than in decades past. But we know that employment, by itself, is not always enough to improve a family’s financial condition. Parents who exit welfare for employment typically earn poverty-level wages (\$8.00 an hour or so). Research is clear that children are no better off if their families leave welfare for work unless family income increases.

Stricter work requirements and regulations that make it more difficult for states to recognize education as a legitimate work preparation activity simply exacerbate the problem. What’s needed are strategies that make work pay—raise the minimum wage, expand earned income tax credits, and provide greater access to work support benefits such as child care assistance and health insurance. Yes, these options are costly, but they are investments toward helping families achieve economic self-sufficiency and will pay off in the long run.

Policymakers need to focus on all low-wage workers raising children, not just those on welfare. TANF recipients comprise only a tiny fraction of the families who can’t make ends meet because of low pay. More than 30 million Americans—a quarter of the U.S. labor force—work in jobs that pay poverty-level wages and that provide few prospects for advancement and income growth.

### Address the Needs of the Most Vulnerable

Practitioners, along with many state-level policymakers, have argued for years that the next major challenge for welfare reform is to figure out how to assist families that have multiple barriers to employment. These barriers include limited education; problems with mental illness, substance abuse, and domestic violence; criminal records; health problems; and/or chronically ill or deeply troubled children. Although they comprise a minority of recipients who enter the welfare system, such families often remain for long periods because immediate and steady employment is simply not realistic. Policymakers in Washington have yet to seriously address the needs of these families, leaving the states to grapple with the problems—

which the new rules will only make worse by limiting the time recipients can devote to treatment for mental illness or drug addiction, or to remedial education.

Unable to cope with the requirements, many of these families simply leave the welfare rolls, and we have little information about what happens to them. This can be especially dangerous for children. The most vulnerable families also are the ones who are the most likely to be cited for child welfare violations, such as neglect. When such families are on TANF, they are more visible to government authorities in a position to address signs of trouble. By not assisting these very needy families, we consign their children to a bleak future.

### **Place the Welfare of Children at the Center of the Welfare Debate**

If it's true that the way a nation treats its children says a lot about that nation, the United States has a lot of work to do (and not just in terms of welfare, but that's another essay). Looking at welfare historically reminds us that concerns about children were the original impetus for ADC. We know from research that children have not been universally helped or harmed by welfare reform. For example, we know that welfare policies that increase employment and income can improve school achievement among elementary school children. At the same time, there's evidence that adolescents' school progress may be harmed when their parents leave welfare for work, perhaps because these older children take on additional responsibilities (such as caring for younger siblings) or perhaps because they receive less supervision.

One of the casualties of welfare reform's narrow preoccupation with employment is that policymakers have ignored the fact that all parents have another critically important responsibility—the care and nurturance of their children. The needs of children have disappeared from the public discourse about welfare, and it's time for us to restore children's needs to their proper place at the center of the debate.