

Welfare cuts increase hunger and homelessness

Jerry White
6 March 1998

Evidence of the human cost of the Clinton administration's welfare "reform" has begun to emerge in a series of reports showing a substantial increase in homelessness, hunger and poverty over the last year.

With the official unemployment rate at a 20-year low and the stock market posting new records, the general impression given by President Clinton and the news media is that America is enjoying an unprecedented level of prosperity and economic well-being. But recent studies on the impact of the welfare cuts show a very different picture: one of increasing suffering for millions of poor and working people throughout America's cities and rural areas.

The new welfare laws that were enacted with bipartisan support in 1996 ended the 60-year-old guarantee that the federal government would provide assistance to the long-term unemployed. Since then more than a 1.5 million recipients have been removed from the program and forced into low-paying jobs or outright destitution.

A study by the Preamble Center for Public Policy, entitled *Welfare Reform—The Jobs Aren't There*, concluded that because of a severe shortage of entry-level jobs and the low pay associated with them, it would be impossible for hundreds of thousands of welfare recipients to lift themselves out of poverty once they were removed from the program. Furthermore, the overall effect of pushing millions of people into competition for low-wage jobs will be to further depress wages.

Citing the Midwestern states of Illinois, Michigan, Ohio and Wisconsin, the report noted that the odds against a typical welfare recipient landing a job that paid enough to lift her family out of poverty were 97 to 1. The situation in other parts of the country could be even worse.

The influx of former welfare recipients into the low-wage labor market is projected to lower wages in this sector by nearly 12 percent. The wage-depressing effects of welfare reform will therefore cause not only an increase in poverty among welfare recipients, the Preamble report concluded, "but also an increase in the number of the working poor."

Another report, by the Tufts University Center on Hunger and Poverty, demonstrates the vindictiveness of the policies adopted by state governments since primary responsibility for welfare programs was transferred to the states in 1996. The majority of state governments have imposed restrictions that will result in worsening economic conditions of the poor.

The report found that 45 states and the District of Columbia either adopted the new federal lifetime limit of 60 months, or made changes in their state welfare programs to impose even stricter time limits for the majority of recipients. The study said this measure would have catastrophic consequences for more than half of the present welfare recipients who have serious barriers to employment such as their child's or their own poor health, physical or psychological disabilities and low skill levels.

As for the claim that the new welfare laws would help recipients find work and become self-sufficient, the report found that nearly half the states provide less assistance to welfare recipients in achieving job readiness and obtaining jobs than was provided under previous welfare policies.

The impact of the welfare cuts is already being felt in major urban areas. The *Detroit Free Press* reported in late February that area homeless shelters were overflowing and many in need had been turned away. Steve Pollock, the executive director of the Michigan Coalition Against Homelessness, told the newspaper

that Michigan shelters are 15 to 50 percent busier this year. Providers blamed the increase on the new welfare rules, the elimination of food stamps and disability payments, as well as rising housing costs and falling or stagnant wages.

Michigan, which has seen a drastic decline in its official jobless rate, is frequently cited in the media as an example of the new prosperity. The Midwestern industrial state has also been referred to as one of the success stories of welfare reform.

Caretakers at homeless shelters have noted in particular a large increase in the number of impoverished women and children seeking help. To a considerable extent a regular cycle has developed. The new work rules force a mother on welfare to take a low-paying job. The welfare agency closes the case and stops cash benefits and medical insurance. Then the worker loses her job or does not earn enough to pay rent and other expenses. She is evicted and ends up, with her children, in a homeless shelter.

These conditions are by no means limited to Detroit and Michigan. In December the US Conference of Mayors released a study showing that 60 percent of the US cities they surveyed reported an increase in requests for emergency shelter in the first half of 1997. As to the growth of hunger, the mayors' report noted a 16 percent increase in emergency food requests overall, a 13 percent rise from families with children, and a 9 percent increase from seniors. Nearly one in four of these requests had gone unmet because the cities had inadequate supplies of emergency food.

The mayors' report noted that Detroit's homeless population had risen by 20 percent over the last year, second only to San Antonio in its survey of 29 large urban areas. On any given day or night in Detroit there are approximately 10,000 homeless people, including between 800 and 1,300 children, the fastest-growing segment of the homeless population.

In addition to welfare reform the city officials acknowledged that a major cause for the rise in hunger and homelessness was poverty-level wages. Noting the fall in Detroit's unemployment rate over the last year, the mayors admitted that most jobs available to welfare recipients paid \$6 an hour or less and were "woefully inadequate to support a household." In addition, they noted that only a quarter of these jobs provided medical care and that state reimbursements for childcare,

necessary to enable welfare recipients to work, were not nearly enough to cover costs.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact