

Three years of US welfare reform: hunger grows, poverty deepens

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While the Clinton administration and congressional Republicans are celebrating the third anniversary of the dismantling of the federal AFDC welfare program, claiming that "welfare reform" has been a great success, reports from more objective observers have found deepening hunger and social misery, especially for the poorest families.

A report released August 20 by the Center on Budget and Policy Priorities found worsening conditions for the poorest 20 percent of female-headed families. While their incomes had risen substantially from 1993 to 1995, before welfare reform, their incomes fell from 1995 to 1997, during the period when measures to tighten eligibility and extend work requirements were adopted. The 2 million families and 6 million people covered by this study had incomes—even after Food Stamps, housing subsidies, the Earned Income Tax Credit and other benefits were included—below three-quarters of the official poverty line.

For the poorest of the poor, the poorest 10 percent of female-headed families with children, incomes fell by a staggering 14 percent between 1995 and 1997. A major reason was that tens of thousands of low-income families who were cut off welfare but still eligible for Food Stamps did not receive them. In some cases state and local government officials told them, falsely, that the welfare cutoff applied to all other federal benefits as well.

The result is that while the number of people living below the poverty line—and hence eligible for Food Stamps—fell only 3 percent from 1995 to 1997, the number of people receiving Food Stamps fell 17 percent. Another statistical measure shows a similar result: while 88 percent of poor children received Food Stamps in 1995, only 70 percent did so last year.

The author of the study, Wendell Primus, who resigned a high-level position in the Clinton administration in protest of the welfare cuts, commented, "It is disturbing that substantial numbers of children and families are

sinking more deeply into poverty when we have the strongest economy in decades and when substantial amounts of funds provided to states to assist these families are going unused."

A key part of the welfare reform bill—the Personal Responsibility and Work Opportunity Reconciliation Act of 1996—was the imposition for the first time of lifetime limits on welfare. Once a welfare mother uses up this lifetime limit, set at five years by the federal government, she and her children can never again receive federal cash benefits, no matter how desperate their condition and no matter what happens to the overall economy.

Besides this lifetime limit, a second limit of two years was established, by which time adults in receipt of welfare benefits had either to find a job or be enrolled in intensive job-training in order to remain eligible. Since most states were given a year to adopt their own regulations implementing the two-year limit, the effect of the work requirement was to force all those adults receiving welfare benefits in 1996 to enter the labor market by the third year anniversary of the bill's passage, August 1999. Millions of welfare recipients, mainly those with the least prospects of finding decent jobs, now face complete cutoff of cash assistance, and utter destitution.

In an address in Chicago in early August, Clinton not only downplayed the implications of the three-year milestone, but declared Welfare-to-Work a success. It is a success only for big business, which applauds the use of former welfare recipients as cheap labor to keep wages down and fuel the profits being reaped from the stock market boom. Notwithstanding the glowing testimony of hand-picked former welfare recipients at the national conference of the Welfare-to-Work Partnership, evidence is mounting that the majority who left welfare and managed to find a job are not earning enough to escape poverty.

A recent study found that in 1997, one year into welfare

reform, the median hourly wage of women who left welfare and found jobs was \$6.61. On an annualized basis, this level of median monthly earnings of former recipients, \$13,788, is roughly the 1997 poverty level for a family of three. Single mothers with children represent the majority of families on welfare. According to research by the Urban Institute, almost one-third of mothers who left welfare between 1995 and 1997 had returned to welfare and were receiving benefits in 1997.

Many private organizations and advocates for the poor have documented and denounced the growing poverty and hunger. One organization that coordinates private emergency food aid said they wished to directly answer Clinton. Deborah Leff, president and CEO of Second Harvest, said "To a certain extent, food banks are the 'canary in the mine shaft' that indicates how well welfare reform is working. It isn't working well enough if working people can't afford to buy food."

Citing a 14 percent increase in demand for emergency food aid, the second-highest rate increase since the recession of 1992, Maurice Weaver of Second Harvest told the *World Socialist Web Site*: "One of the critical factors in the increase in hunger reported by our member food banks and soup kitchens across the country is the effect of the welfare cuts. The great reduction of numbers of welfare recipients comes from women who are mothers getting service industry jobs. The jobs are not sufficient to support their families and they constantly must choose between things like buying medicine or buying food."

In the Urban Institute study, researcher Pamela Loprest found the jobs held by former recipients are concentrated in occupations and industries with greater numbers of low-wage, entry-level work. Some 38 percent of former recipients are in low paying service occupations. More than a quarter of working former recipients are working mostly night hours, with the majority of those surveyed attributing this to the need to juggle child care arrangements.

About 25 percent of women who left the rolls and did not return were not working and had no partner working. At least 6.5 percent of welfare leavers were sanctioned, that is thrown off welfare for some infraction of the reactionary behavioral regulations included in the act. A large percentage of nonworking former recipients (27 percent) report they are ill or disabled and unable to work. Fifteen percent reported they could not find work. Lack of child care or transportation or the distance from available jobs is the reason given by 12 percent for this difficulty.

Only 34 percent of adult former recipients report

Medicaid coverage, and about 47 percent of children in ex-welfare families have this coverage. Thirty-one percent of ex-welfare families are receiving Food Stamps. A third of former recipient families have had to cut the size of meals or skip meals in the last year because there wasn't enough money for food. The loss of Food Stamps, Medicaid coverage, or other in-kind benefits by former welfare recipients, while substantially increasing hardship for families, is not reflected in the official poverty figures released by the US government.

In a July report, the US General Accounting Office (GAO), the oversight agency for Congress, reported that participation in the Food Stamp program also dropped by 7 million, from a monthly average of 25.5 million in 1996 to 18.5 million in the first half of fiscal 1999. Children accounted for half of the total decline in participation in 1997, the most recent year detailed figures were available.

Wisconsin had the highest percentage in its reduction of Food Stamp participation; 32 percent fewer people received Food Stamps in 1998 than in 1994. Between 1996 and 1998 Michigan cut its Food Stamp participants from 906,000 to 740,000, an 18 percent drop. The state of New York eliminated nearly one-half million participants, a drop of 22 percent.

Twenty states cited new restrictions on permanent resident aliens as a major or moderate reason for the decline in Food Stamp participation. This included California, Texas and Florida, states which have large permanent resident alien populations. California had the largest drop in Food Stamp rolls of any state, nearly 1 million, a 31 percent drop in just two years. The majority of the resident aliens who lost their Food Stamps as a result of the 1996 legislation were not reinstated when restrictions were relaxed for some categories of immigrants in 1998, and hundreds of thousands of new immigrants continue to be denied Food Stamp benefits.



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