US welfare bill attacks the poor

Paul Sherman
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Millions of Americans will find social programs further eroded as a result of the welfare reauthorization bill passed by the US House of Representatives last month. The goal of the legislation is to push the remaining 5 million people still on welfare off benefits and force them to become part of an expanding pool of cheap labor.

In addition, several measures added only a few days before passage of the bill will transform the Food Stamp program into block grants for five states and allow the Bush administration to grant "superwaivers" to states, in effect abolishing federal guidelines and freeing states to use funds in virtually any way they choose. These measures have received scant mention in the press and very little criticism from the Democratic Party, yet have the most far reaching implications for Food Stamps, public housing, job training and other social programs designed for low-income households.

Other measures contained in the bill continue the vindictive policy of denying benefits to immigrants and their families, maintain the five-year lifetime time limit and include Bush's proposal for programs promoting marriage and abstinence as a means of ending childhood poverty.

The major component of the bill requires states to have 70 percent of welfare recipients working 40 hours per week. Currently, 30 percent of those on welfare must work 30 hours a week. For those with children under five, the work requirement is 20 hours per week.

The new bill makes no exceptions for parents with young children. Further restrictions on what qualifies as job training and education have also been added. For instance, vocational education will no longer count towards meeting the work requirement, further restricting welfare recipients to the most minimal dead-end jobs.

Prior to the passage of the bill, the Bush administration held several publicity stunts in which former welfare recipients were brought before the cameras to say how well they are doing now that they have jobs. In reality, however, the welfare reform bill passed in 1996 and signed into law by President Clinton has devastated the lives of millions of people. Since 1996, welfare rolls have been cut by more then 60 percent, from 14 million recipients to fewer than 5.5 million today. With time limits set to expire, many of those still receiving benefits will soon find themselves cut off.

On any given day, 40 percent of former recipients are without work. For the 60 percent who have found jobs, very few have been able to escape poverty. The average wage is under $8.00 an hour and yearly income is under $13,000, below the federal poverty level for a family of three. Most welfare recipients who have found work are employed in entry-level jobs, often part-time and temporary. They were the first to begin losing their jobs with the economic downturn and most are not eligible for unemployment benefits.

One of the largest studies of former welfare recipients followed more than 700 single mothers for up to four years after they entered welfare-to-work programs in California, Florida and Connecticut. The study found that some mothers did not have enough money to pay rent. One in six families lived in roach-infested apartments and had to rely on food banks. One in five mothers in the study had to cut the size of meals for their children because they lacked money to buy food. Two out of five of the women suffered significant levels of emotional depression.

More than half of those working did not receive any health benefits for themselves or their children. As a result of moving from welfare to work, monthly income rose by just $135 in Connecticut and $275 in California and Florida. When the cost of child care, transportation, work clothes, etc., are factored in, many of those working are doing financially worse than they did under welfare. For the 40 percent of households where no one is working, conditions are much worse.

While demanding that single mothers, including those with young children, work full-time, the bill makes only token provisions for child care and none for the care of older children before and after school. A staggering 7 million children under the age of 12 are currently in what has become known in the welfare system as "self care." That is, they come home from school, lock the door and turn on the TV. In California alone there are 200,000 children on waiting lists for child care.

The House bill provides only an additional $2 billion for child care over the next five years. This falls vastly short of the $11 billion increase the Congressional Budget Office projects would be needed for states to meet the new work requirements.

Perhaps the most devastating impact of the House bill comes with the introduction of block grants for the Food Stamp program and the ability of states to seek something called "superwaivers." These measures effectively end the entitlement status of Food Stamps and will lead to the gutting of a dozen social programs for low-income families.

Five states will be allowed to block grant their Food Stamp program. The federal government pays 100 percent of Food Stamps benefits. If more people apply for and receive Food Stamps, the federal government picks up the tab. Under a block grant, states would receive a fixed amount equal to the 2002 level.

In exchange, states will be able to use the Food Stamp money

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with no federal requirements on who receives benefits, at what level benefits are paid and what requirements Food Stamps recipients must meet. This will enable cash-strapped states to cut Food Stamp benefits and use the saved funds to offset state budget deficits, something most states already do with welfare funds. If need goes up, which is likely as unemployment continues to rise, states will not receive any additional federal funds. Instead they will have to either cut benefits levels, deny benefits to new applicants or both.

The "superwaiver" provision allows the administration to bypass Congress and set social programs directly with individual states. State governments granted superwaiver status could enact policies that the Bush administration favors, but which were either rejected by or not even presented to Congress. States would establish their own criteria, requirements and benefits levels and would have unlimited authority to reduce benefits or deny them to entire groups of people.

Furthermore, states would not have to adhere to Congressional guidelines on who receives benefits or adhere to programs that specifically target benefits for certain sections of the population, such as the homeless or children. For instance, funds allotted for public housing could be used to provide low interest loans for upper-middle-class housing plans. In fact, any plan approved by the Bush administration would qualify.

In addition, the Food Stamp program is part of the Agricultural Department and comes under the farm bill, not welfare reauthorization. The farm bill had been debated in Congress during the past year without any mention of either block grants or superwaivers and was signed into law by President Bush last month. Both the block grant and superwaiver provisions were tacked onto the welfare bill only days before the vote was taken without any debate, let alone public hearings to examine their implications.

Superwaiver status is not just limited to welfare and Food Stamps but includes 10 other social programs earmarked for low-income segments of the population. Among the programs eligible for superwaivers are: Child Care and Development Block Grants; public housing; many job training programs; the Social Services Block Grant; adult education programs; homelessness programs; and a small program known as the Job Opportunities for Low-income Individuals.

Last week the Department of Health and Human Services announced the latest figures on welfare recipients and noted that from October 1 to December 31, 2001 the numbers continued to decline. Health and Human Services Secretary Tommy Thompson praised this trend and stated: "Despite the soft economy and the tragic events of September 11, the national welfare caseload did not increase. Our reformed welfare system rose to the challenge."

In other words, despite the increase in unemployment to over 8 million and the impact of the terrorist attacks, the number of people on welfare continues to fall. For Thompson, the measure of success of welfare reform is that—despite need—people are not able to sign up for the program.

Thompson's presentation of the figures is not entirely accurate. A closer look will show that welfare rolls did increase in 34 states but were offset by very big declines in a few states. Most notably New York, the center of the September 11 events, with an unemployment rate of over 7 percent, saw welfare rolls drop by 20 percent, or by 111,360 recipients, from 554,700 to 443,340. This was mainly due to the expiration of the five-year time limit in December.

The Food Stamp program, on the other hand, has seen an increase of more than 2 million recipients since the onset of the recession in March 2001. After falling from a high of over 27 million in 1995 to 17 million in 2000, it has grown to over 19 million today. By ending Food Stamps as an entitlement program, the administration seeks to put a stop to this trend..

The welfare reauthorization bill now goes to the Senate where five similar bills are being debated. Most are similar to the House version, but not quite as drastic. Senate Democrats have gone out of their way to make clear they are not repeating the debate of 1996, and that they accept the claim that welfare reform has been a success. They do not want a return of welfare as an entitlement program nor do they propose abolishing the five-year time limit. Rather they state they only want to fix a few details, such as increasing child care and job training programs. None of the Democrats have criticized the Food Stamp block grant proposal or the superwaiver provisions of the House bill.

A group of 17 Democrats, including Senators Edward Kennedy of Massachusetts and Paul Wellstone of Minnesota, outlined what is considered the most generous proposal in a letter to Finance Committee Chairman Max Daucus of Montana. They seek a bill that includes $11 billion in child care, allows education and job training to substitute for a portion of the work requirement, restores aid to legal immigrants and leaves the work requirement at the current 30-hour level.

Senator Hillary Clinton (Dem.-N.Y.) angered welfare rights advocates when she signed on to a bill favored by conservative Democrats that accepts the 40-hour work requirements, but with a few more exemptions than the House bill, and would increase child care by $8 billion over five years.

The $33 billion spent on welfare and Food Stamps accounts for less then one-tenth of one percent of the $2 trillion federal budget. It is less than the $48 billion increase given to the military and only a little more than the amount allotted for Homeland Security. All the federal programs that target services to the poor cost only $65 billion. With the onset of recession and rising unemployment, Congress wants to make clear that there will not be an increase in spending on social programs, let alone a return to the entitlement status of the past.

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