

Twenty years since Clinton's welfare "reform"

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Twenty years ago yesterday, on August 22, 1996, President Bill Clinton signed bipartisan legislation that ended the federal guarantee of welfare assistance to the poor.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was the first repeal of a major provision of the 1935 Social Security Act, which made relief to the old, the disabled, the jobless, single mothers and poor children a federally funded and guaranteed "entitlement." Eligibility for what would become Aid to Families with Dependent Children (AFDC) was expanded in 1962.

Instead of providing a safety net of minimal benefits, the new Temporary Assistance for Needy Families program (TANF), which replaced AFDC, imposed a lifetime limit of five years, plus mandatory work and school requirements. The federal government sent a fixed amount of money, in the form of block grants, to the states, which were free to impose even harsher eligibility restrictions and cut off benefits once the money ran out, no matter how many people were left destitute.

As a result, millions of poor people lost all cash assistance and were bereft of any income. While AFDC benefits were always woefully inadequate, TANF assistance in all states currently provides less than half the income deemed necessary by the government to avoid poverty. In one-third of the states, the benefits are less than 20 percent of the official poverty level.

The 1996 law also cut food assistance to the poor. The tightening of eligibility for food stamps, now called the Supplemental Nutrition Assistance Program (SNAP), has had devastating consequences. As a result of the lowering of maximum benefits enacted at that time, a working household of three people today receives nearly \$400 less a year—or \$33 a month—than it would have received had the "reform" not been enacted.

So draconian were Clinton's measures, they were

denounced by Senator Patrick Moynihan, a Democrat who had been reviled for joining the Nixon administration and initiating the first efforts to cut back on social programs. Moynihan denounced both parties for "making cruelty to children an instrument of social policy."

In announcing that he was "ending welfare as we know it," Clinton cynically claimed that his bill would help welfare recipients find work and attain economic self-sufficiency. That was a lie. The measure freed up billions for corporate tax cuts and military programs, while forcing millions of workers into low-wage, part-time jobs. The funneling of the desperately poor into the labor market contributed to the suppression of wages that continues to this day.

The corporate-controlled media has marked the anniversary by hailing its "success" and fondly recalling the bipartisan support for the measure. Media commentators suggest that the cross-party cooperation that succeeded in destroying welfare should be a model for laying siege to even more basic entitlement programs such as Medicare, Medicaid and Social Security.

A series of recent reports has detailed the human impact of Clinton's cuts:

- The number of US children living in families with monthly incomes below \$2 per person per day doubled from 1996 to 2011, according to a 2013 analysis published by the National Poverty Center.

- While 76 families received cash assistance through AFDC for every 100 poor families with children in 1995, by 2014, only 23 percent received TANF cash assistance. Because fixed benefit levels lost value due to inflation, cash payments for a family of three in July 2015 were at least 20 percent below their 1996 level in 35 states and the District of Columbia.

- A 2015 review of the law by the National Bureau of Economic Research concluded that “declines in welfare benefits arising from leaving welfare often cancel out the earning increases, leaving income relatively unchanged.” In addition, “a significant number of single-mother families appear to have been worse off and to have higher deep poverty rates,” defined as living below *half* the federal poverty line.

- During the first decade of welfare “reform,” incomes fell by 18 percent for the poorest tenth of children of single mothers, and the share of children living in deep poverty rose from 2.1 percent to 3.0 percent—from 1.5 million to 2.2 million—according to the Center for Budget and Policy Priorities. While the percentage of children in deep poverty was reduced to 2.6 percent in the following decade, this was largely due to the temporary extension of unemployment benefits and food stamps after the Great Recession, which has largely dried up.

- The cancellation of welfare payments to legal immigrants through the imposition of long-term residency requirements led to a fall in high school graduation rates by as much as 17 percent, according to a recent article in the *Washington Post*.

In destroying welfare, President Clinton had the enthusiastic backing of his wife, Hillary Clinton, who is now the Democratic candidate for US president. The ex-president emphasized her role in a 2006 op-ed piece in the *New York Times* titled “How We Ended Welfare, Together.” In the article, Clinton boasted that welfare rolls had been reduced from 12.2 million to 4.5 million in the first decade of his “reform.”

The destruction of the federal welfare system was part of a social counterrevolution by the American ruling class initiated in the last years of the Democratic administration of Jimmy Carter in the late 1970s and escalated during the Reagan years of the 1980s. It marked the complete abandonment of the policy of liberal reform associated with Roosevelt’s New Deal in the 1930s and Johnson’s War on Poverty in the mid-1960s.

The Clintons were leading figures in the Democratic Leadership Council, which renounced such reforms and helped transform the Democratic Party into the leading party of Wall Street.

Following the debacle of Hillary Clinton’s pro-

corporate health care “reform,” the Democrats suffered a rout in the 1994 mid-term elections, which gave the Republicans, under the leadership of arch reactionary Newt Gingrich, control of both houses of Congress. The response of the Clintons was to shift further to the right.

The tossing of millions of welfare recipients into destitution was a calculated effort to curry favor from the ruling elite and reactionary sections of the upper middle class. In the current presidential campaign, Clinton’s wife has adopted a similar strategy, except even more reactionary.

The war on the poor, with its denunciations of “generations of dependency” and demands for “personal responsibility,” coincided with a bipartisan program of unlimited government welfare for corporate America and the super-rich. These were the days of “irrational exuberance” on Wall Street, the Clinton administration’s repeal of the Glass-Steagall Act and other Depression-era banking regulations, the destruction of millions of better-paying manufacturing jobs, the growth of financialization, and the rise of a new financial aristocracy to the pinnacle of the American economy.

Over the last seven-and-a-half years, the Obama administration has intensified this social counterrevolution, slashing the wages of autoworkers, shifting the burden of health care and pensions onto the backs of workers, and funneling trillions to Wall Street and trillions more to the Pentagon to wage nonstop war.

Various pseudo-left and Democratic Party advocates of identity politics characterize Clinton’s welfare “reform” as a racist measure. Typical is a recent piece in the *New Republic* titled “The Racist Roots of Welfare Reform.”

This only serves to conceal the class character of the Democratic Party-led attack—whose victims include all races and nationalities, the majority being poor whites. In opposition to all such reactionary attempts to divide the working class, the Socialist Equality Party and our presidential and vice presidential candidates, Jerry White and Niles Niemuth, fight for the unity of the working class in a struggle against the capitalist system, the source of war, poverty and repression.



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