

# Twenty years since the Clintons gutted the federal welfare system

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On February 17, 1993, Bill Clinton addressed the Congress in his first State of the Union Address. While the 1991 recession which brought down his predecessor, George H.W. Bush, was easing, unemployment was actually on the rise. He briefly acknowledged this in his address, urging bipartisanship to help the country improve the economy. Then he got down to business.

“If we believe in restoring the values that make America special,” he proclaimed, “we must believe that there is dignity in all work, and there must be dignity for all workers.” He vowed to “end welfare as we know it.” He continued in this vein, invoking several of the pet themes of the Republican right: he pontificated about the dangers of “welfare dependence” and “intergenerational poverty,” and the need for parents to “take responsibility for the children they bring into the world.”

Clinton’s State of the Union Address heralded a change in tactics by the Democratic Party. No longer would it be the party of the New Deal reforms; by vowing to slash the programs that the Democrats had supported for decades, he positioned himself as the continuator of Ronald Reagan, not Franklin Roosevelt.

Bill Clinton worked with lawmakers to balance the books at the expense of the nation’s poor, cloaking his efforts with flimsy pretexts of bipartisanship and compromise. In 1996, he approved the “Personal Responsibility and Work Opportunity Reconciliation Act” (PRWORA). The bill was hailed as a triumph of welfare “reform.” In reality, it represented a thorough gutting of welfare.

Aid to Families with Dependent Children (AFDC), as the welfare program was known, had enabled many families to feed, shelter, and clothe their children while they awaited work, finished schooling, or learned a new trade. Contrary to Clinton’s claims about lifelong dependence among recipients, AFDC had actually allowed many people to rise above poverty and get off of welfare. The PRWORA dismantled AFDC, replacing it with Temporary Aid to Needy Families (TANF)—an insulting name to crown a host of injuries the act would inflict upon families in need.

The bill shifted all responsibility for the program to the states. This time-honored tactic had enabled politicians in Washington to keep the stench of injustices at arms’ length, even as they helped further them. While AFDC had been completely funded by the federal government as citizens qualified, TANF was funded by federal block grants given to the states in lump sums.

States were given great latitude in how the block grants would be used. There were no accountability measures to ensure that the states were actually helping poor families in difficult situations. All accountability measures attached to the block grants were designed to encourage states to cut the numbers of people receiving aid. In fact,

states that disbursed funds to fewer families would be rewarded with a casework reduction credit. While the PRWORA’s stated aim was helping families transition to meaningful employment, the work participation rate (WPR) requirements have actually encouraged states to enroll fewer people into the program, because they can increase their WPR by simply shoving people off of the rolls.

The PRWORA set strict limits on how long an individual could receive benefits, capping it at five years over the course of a lifetime. The states were allowed to set the limit far lower, and many did so, some as low as three months.

TANF eligibility varies widely from one state to another, but in no state do the disbursements equal what had been given to families with AFDC. It would fall to about \$2 per person per day for many families. There was no federal assets test for eligibility, which allowed states to create their own stringent eligibility criteria. Striking workers were prohibited from receiving TANF benefits.

These measures proved disastrous for American workers. In his 1993 State of the Union Address, Clinton avoided mentioning the cause for the rising unemployment rates in America. He did not say that, regardless of what the stock markets might have suggested, America’s real economy was flagging. Labor Department estimates show a loss of 1.623 million jobs during the early 1990s recession. Unemployment had continued to grow throughout 1992, and by the time he made his plans to “end welfare as we know it” clear, it had simply stagnated.

In 2015, the Center on Budget and Policy Priorities analyzed the TANF’s success rate within the first 10 years of its inception. The CBPP’s data revealed that the number of children living in deep poverty—which they define as below half of the national poverty line—increased from 1.5 million to 2.2 million between 1995 and 2005, from 2.1 percent of the population to 3.0 percent. Their analysis revealed a starker reality for children of single mothers. In those families, the rate of children living in deep poverty more than doubled, rising from 2.8 percent in 1995 to 5.8 percent in 2005. Had the program functioned adequately as a social safety network, the Center’s analysts claim, then the rates of children living in deep poverty should have fallen between 1995 and 2005.

Workers using TANF across the country report complications imposed upon them by states’ TANF eligibility criteria. In Oregon, one mother reports that she used TANF in 2012 while on unpaid maternity leave with her newborn son. TANF gave her a maximum of \$400 a month for the two of them, she said. “I used it to pay my car payment and insurance. My mom paid my rent, and a few times I had to ask my dad for money to pay the electricity.” While this worker is the model TANF recipient by the standards set by supposed welfare

reformers—willing to work, and supporting her child alone—the benefits she received were not enough to provide for the two of them without help from her family.

She acknowledged that things would have been different for her without familial support, or had she been given another caseworker. She recalls another mom she knew at the time who had two small children. Her caseworker had told her that, because she owned a car, she couldn't truly be considered destitute; her reasoning was that she could sell her car to get cash for her children and then take the bus. Cars are considered a luxury, despite the fact that there is no regular bus service where the woman was living.

In Alabama, TANF applicants receive a maximum of \$215 a month for a family of three. Parents applying for TANF must submit three job applications before they can be deemed eligible for benefits. The amount given to TANF recipients in the state has not been adjusted for inflation since 2002, although the costs of rent, groceries, and child care has increased dramatically since then.

One Alabama mother, going only by her first name of Jessica, recalls how difficult it was to fend for herself and her now 6-year-old son when she was using the program.

“At first, they would not give me benefits because I could not prove that I was receiving no support from my son's father. We had broken up during my pregnancy, and he left the county.

“I worked throughout my pregnancy, but I was in college, and only working part-time at a restaurant. I had no maternity leave. When I had to stop working to have [my son], I had no kind of money coming in. I had to move back in with my parents, even though they really didn't have room for me in their trailer.”

Jessica was soon able to return to work and school, but said that it was too difficult to provide for her son without TANF. She left her waitressing job to focus on going to school full-time. She was given a childcare subsidy, but it was not universally accepted at all daycares. When her parents moved out of state, she was forced to move in with her boyfriend.

“I wasn't ready to move in with him, but I didn't really see that I had many other choices,” she explains. “I couldn't find a job that would pay me enough to send my son to daycare without my benefits. I'm not proud of it, but I lied. I was supposed to report my boyfriend's income, but he was making just a little bit over minimum wage. It was the most stressful time of my life. We broke up right after I got my first job. I keep wondering if maybe we'd still be together if we hadn't felt forced to live together, or forced to lie about it.”

Alabama is one of many states where TANF participation has declined dramatically since the late 1990s. According to Alabama ARISE, a policy analysis and poverty advocacy organization based in Montgomery, the number of Alabamians receiving welfare dropped from 43,000 in 1996 to 19,300 in 2013. This is not because the number of families needing assistance has declined; to the contrary, poverty in the state has risen amongst families with children.

States also spend less of their block grant on actual benefits. In 1997, 70 percent of the nation's grant money went towards cash benefits. By 2012, that percentage had shrunk to less than 30 percent. Within the same period, Alabama went from spending 58 percent of its grant on cash benefits to spending only 35 percent. Childhood poverty had risen by 6 percent in the state at the same time. Mississippi, Arkansas, and Alabama spend less of their block grants on cash benefits than any other state in the US. Alabama spends the majority of its money—\$112.6 million, in 2012—on pregnancy

prevention, plugging up holes in the state budget, and other expenditures. Only \$58 million was spent on cash benefits in 2012.

The crisis facing workers has deepened since AFDC was destroyed. The real economy has declined sharply. Many of the temporary relaxations of TANF requirements, implemented in the wake of 2008's financial crisis, have been rolled back. Against this backdrop of increasing poverty and decreasing benefits, Hillary Clinton makes her bid for the presidency. She had enthusiastically supported her husband's Violent Crime Control and Law Enforcement Act, during which time she famously referred to urban youth as “super predators” and stated that they needed to be “brought to heel.” Her silence on the PRWORA cost her alliances with a handful of women's and children's advocates, including Marian Wright Edelman. Two members of Bill Clinton's cabinet resigned in protest of the PRWORA.

Today, although she has apologized for her “super predator” statement and repudiated her husband's crime bill, she remains tight-lipped about the Personal Responsibility and Work Opportunity Reconciliation Act. She has made overtures to feminists and Black Lives Matter activists, despite the fact that the PRWORA has significantly damaged the ability of struggling women, including urban women of color, to provide for their children or to gain economic traction, or to even leave unhealthy or abusive relationships.

In 2006, ahead of Hillary Clinton's first bid for the Democratic Party's presidential nomination, Bill Clinton penned an Op-Ed in the *New York Times* titled, “How We Ended Welfare, Together.” He brazenly claimed that, “The last 10 years have shown that we did in fact end welfare as we knew it, creating a new beginning for millions of Americans.” He boasted about the dramatic drop in the welfare rolls—from 12.2 million in 1996 to 4.5 million in 2006—without acknowledging the fact that many truly destitute families had been left in the cold because of the lax accountability for states' management of TANF funds.

Like his State of the Union Address in 1993, Bill Clinton's editorial spelled out the right-wing position espoused today by his wife. He concluded his article by stating, “While we compromised to reach an agreement, we never betrayed our principles and we passed a bill that worked and stood the test of time.”

Indeed, the Clintons' principles have never aligned with the needs of workers, much less the poorest of them. To the contrary, they have demonstrated at every turn that another Clinton presidency will result in greater pressures upon the working class. The theme of “compromise”—Clinton shorthand for drastic shifts to the right—has been a mainstay in talking points supporting Hillary Clinton's presidential bid. It represents nothing more than a compromise on tactics between the Republican and Democratic parties at the expense of the working class.



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