

**Social Welfare Reforms in the
Midwest: Illinois, Indiana, Michigan,
Ohio, Wisconsin**

*by Fayyaz Hussain, Ph.D.
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Research Report No. 29
October 1998

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SUGGESTED CITATION

Hussain, Fayyaz, (Ph.D.) “Social Welfare Reforms in the Midwest: Illinois, Indiana, Michigan, Ohio, Wisconsin,” *JSRI Research Report #29*, The Julian Samora Research Institute, Michigan State University, East Lansing, Mich. 1998.

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Abstract

This report examines welfare reforms in five Midwest states, following the Responsibility Act of 1996. The states, Illinois, Indiana, Michigan, Ohio, Wisconsin, are selected because of their geographic proximity and because of their unique policies and programs. These programs are reviewed, compared, and assessed in this report. An important finding is the disparity between claims of success in reducing welfare dependency against the apparent persistence of poverty, hunger, and other related social problems for millions of children and working poor.

Social Welfare Reforms in the Midwest: Illinois, Indiana, Michigan, Ohio, Wisconsin

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Social Welfare Reforms in the Midwest: Illinois, Indiana, Michigan, Ohio, Wisconsin

Overview

Social Welfare Around the Globe

Almost all developed and developing societies around the globe offer a variety of welfare programs for its citizens. Generally speaking, these programs are created to help the poor, retired, unemployed, and disabled to maintain a minimum standard of living. Some of these programs are specially designed to uplift the status of individuals who face unfair economic difficulties because of their race, ethnicity, gender, age, caste, and class. Developed countries, such as the U.K., Germany, France, Sweden, Denmark, Norway, and many more have relatively generous welfare programs for their citizens. Even less developed countries with limited resources such as Pakistan, India, Sri Lanka, and a number of other nations in Asia, Africa (Dixon, 1987; Hazelton et al. 1990), and Latin America have their own versions of social welfare. USSR, Poland, and Hungary are experimenting with market economy and introducing new versions of social welfare systems for their citizens (Adam, 1991).

Evaluations and modifications of welfare programs are quite normal and very common among all of the above nations. Even Scandinavian countries, famous for their model and generous welfare programs, have introduced welfare reforms from time to time in the past (Greve, 1996; Sipila, 1997). Examples of reforms come from Denmark (Mogensen, 1995), Finland (Salminen, 1991), Sweden (Lagergren et al, 1984), Norway (Hvinden, 1994) and Switzerland (Segalman, 1986), where financial problems lead to a number of changes.

However, the recent dramatic Social Welfare Reforms in the U.S. are unique and drastic in nature. None of the Social Welfare Reforms quoted above are even close to the types of changes being introduced in the U.S. under the current Welfare Reforms. The politicians, policy makers, and other supporters of these reforms suggest that it is an effort to pull out the poor from their historical dependency on welfare and force the able bodies to work. Those who criticize these reforms suggest that poverty is an outcome of a number of structural determinants, thus external to individuals. They also argue that inequality is built into a capitalist system (Thurow, 1993), thus there will always be poor people who will be in need of government help to make ends meet.

Social Welfare Reforms in the U.S.

The roots of the current welfare system in the U.S. can be found in the U.S. Social Security Act, adopted in 1935. The goal of this act was to provide subsistence to retired, sick, disabled, and unemployed individuals. The original act has been amended more than twenty times in the past 60 years. Prior to the most recent changes in welfare programs, there were more than 300 separate welfare programs in the U.S. (State of Michigan, 1995). The most important of these programs included Aid to Families with Dependent Children (AFDC), Medicaid, Food Stamps, and State Assistance Programs.

Almost every federal government in the recent past has talked about welfare reforms as part of its political agenda. In the past three decades, several presidents have tried unsuccessfully to reform the welfare system. Neither Nixon's proposal on welfare reforms known as *The Family Assistance Plan* in 1970, nor Carter's *Better Jobs and Income Program* in 1978, nor Reagan's *Family Support Act* in 1980's achieved their goal of lowering welfare expenses. Reagan, however, was able to introduce some changes by cutting down the budget for various welfare programs for the needy (Reischauer, 1989).

Like other presidents in the past, Bill Clinton signed a welfare reform bill the *Personal Responsibility and Work Opportunity Reconciliation Act* (PRWORA) into law in August 1996. The new law gives freedom to the states to create their own welfare programs, using block grants provided by the federal government. The state, on the other hand, will be responsible for developing a program to assist individuals to find work leading to self-sufficiency. The new law affects almost all assistance programs including cash assistance, child care, child nutrition, child support enforcement, food stamps, Medicaid, services to immigrants, and Supplemental Security Income (NGA, 1998). For example, Aid to Families with Dependent Children (AFDC) will be administered by the states but funded with federal grants. In addition, the law reduces life time welfare assistance to five years, and requires *able-bodied* adults to work after two years. Medicaid will continue for those who qualify for welfare under the new rules. Adults without children will be eligible for food stamps only for three months over a period of three years. Originally, the legal immigrants were

barred from any type of financial assistance including food stamps and Supplemental Security Income (NGA, 1998). According to the critics, the new law is hurting millions of children, hardworking single mothers, and legal immigrants in this country. As a result of strong criticism, however, in June of 1998 an amendment in *Personal Responsibility and Work Opportunity Reconciliation Act* re-instated the food stamps program for legal immigrants (NGA, 1998).

In addition, the state governments have been introducing their own welfare reforms. Almost all of these reforms were under the directions of federal government. Illinois, Indiana, Michigan, Ohio, and Wisconsin are among the states which not only followed the general guidelines of the federal government to reform their welfare programs, but also introduced their own innovative programs to lower the cost of social welfare programs.

This report, divided into three sections, describes, compares, and examines these reforms in the above states. In the first section, the main features of new social welfare programs in these states are presented. The second section examines these reforms critically. The third and final section discusses possible social implications for the poor in the Midwest, and in the U.S. in general, and also raises a number of unanswered questions regarding the outcome of these reforms.

Social Welfare Reforms in the Midwest

As mentioned earlier, the federal government has laid out very specific guidelines for the new welfare programs in the U.S. In 1996, congress revised almost all existing rules and regulations governing the welfare programs. The main changes have been divided into eight sections, which are listed below. Each title gives specific guidelines to the states on each one of the following eight categories of welfare (U.S. Government: Public Law 104-193, 1996).

Title I - Block Grants for Temporary Assistance for Needy Families

Temporary Assistance for Needy Families replaces the existing Assistance for Families with Dependent Children (AFDC). Under this title, each state will be given more freedom to develop its own plans to give out temporary assistance to needy families. However, the states are obligated to:

- provide assistance to needy families in their homes or in their relative's homes
- end dependency on government by creating job preparation, work, and marriage

- prevent and reduce out-of- wedlock children.
- encourage two parent families

Title II - Supplemental Security Income

Under this title, the following guidelines have been given out to states:

- Individuals misrepresenting residence for welfare will be denied the benefits for 10 years
- Fugitive felons, probation and parole violators will be denied SSI
- State should follow new disability conditions for disable children

Title III - Child Support

Among other features, this title emphasizes on the responsibility of parents to support their children. If needed, it is required to determine the paternity of parents to track them and force them to pay the child support.

Title IV- Restricting Welfare and Public Benefits for Aliens

Under this title, a number of restrictions apply to Aliens. These restrictions indicate that:

- There will be no public assistance for illegal aliens from federal or state government
- Legal aliens will be eligible only for limited federal and state assistance for up to five years

Title V - Child Protection

Under this title, states are responsible for the protection of children against negligence and abuse. Foster care by the relatives should be preferred over non-relatives.

Title VI - Child Care

Under this title, the following goals have been set by the federal government:

- States should develop child care programs suitable for their individual state
- Working parents should be given an opportunity to pick the child care center suitable for them
- State will educate parents on child care
- Federal government will assist the states to provide child care for the parents who try to achieve independence from welfare

Title VII - Child Nutrition Programs

Under this title, rules have been introduced for school breakfasts, lunches, and summer nutritional programs.

Title VIII - Food Stamps and Commodity Distribution

The following rules apply to states regarding the food stamps program:

- Food stamps will be given out for only 12 months. It may be extended for another 12 months if all members of the household are disabled or elderly
- Food stamp recipients will become ineligible for this assistance if they:
 - refuse to register for employment
 - refuse to participate in job training program
 - refuse to accept an offer for a job
 - quit a job

Each state has to meet all of the above requirements imposed by the federal government to be eligible for federal government funds for their welfare programs. In the light of the above directions, each state in the U.S. has introduced a number of changes in their existing welfare programs. Given below is a brief description of the major changes introduced by the States of Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Illinois

Demographic and Economic Profile

According to the latest available statistics, the population of Illinois is 11,846,544. Of this number 72.4% are White and 15.25% are Black. People of Hispanic origin including Whites, Blacks, Native Indians, and Asians

	POPULATION	PERCENT
White	8,576,397	72.40
Black	1,806,901	15.25
Hispanic	1,063,265	8.98
Native Indians	26,210	.22
Asian and Pacific Islanders	373,771	3.16
TOTAL	11,846,544	100.00

Source: U.S. Census Bureau, 1998

comprise of 9.60% of Illinois' population. The remaining population of Illinois includes Asians, Native Indians, and other races (Table 1).

According to the latest available figures, 12.3% of the population in Illinois lives below poverty (U.S. Census, 1998). According to a recent report by the Casey Foundation (1998), the percent of children in poverty is as high as 22%. The report also suggests that 10% of the children live in extreme poverty with income below 50% of the official poverty level. The data also suggest that 10% of the children in Illinois do not have any type of health insurance (Table 2).

	PERCENT
Unemployment Rate	4.5
Population Below Poverty	12.3
Children Below Poverty	22.0
Children in Extreme Poverty¹	10.0
Children Under Age 18 Without Health Insurance	10.0

Source: Casey Foundation, 1998, U.S. Census Bureau, 1998
¹Family income below 50% of poverty level

Social Welfare Reforms

Governor Jim Edgar of Illinois is one of the first politicians who introduced welfare reforms in the state of Illinois. Under his directions, the State of Illinois created a new department, Illinois Department of Human Services (DHS) by merging all or part of the following six former state agencies.

- The Department of Mental Health and Developmental Disabilities (DMHDD)
- The Department of Alcoholism and Substance Abuse (DASA)
- The Department of Rehabilitation Services (DORS)
- The Department of Public Aid (DPA)
- The Department of Public Health (DPH)
- The Department of Children and Family Services (DCFS)

A budget of \$4.3 billion was allocated for this department and more than 20,000 workers were assigned to it.

The goal, as stated by the department itself, is to provide services by offering One Stop Shopping to the Illinoisans. Under this approach all social services are put under one umbrella. The client will see the service coordinator of DHS who will interview the applicant and will estimate the needs of the family. The service coordinator will make decisions under the following eight principles:

Guiding Principles

- Help families and individuals help themselves by increasing their ability to meet their responsibilities
- Serve clients with respect, fairness, and cultural competence
- Deliver services in a way that promotes independent living
- Find ways to reduce permanent dependence on the human service system
- Strengthen communities by coordinating and linking community and state resources, and involving them as partners in policy making and implementation
- Involve employees in maintaining a work environment that encourages quality service delivery, productivity, and staff development
- Measure the effectiveness of human services in terms of outcomes and costs
- Deliver services in the most effective way possible within the resources we invest

(State of Illinois, 1998)

Main Features

Temporary Assistance for Needy Families (TANF) replaced Assistance to Families with Dependent Children (AFDC) in Illinois on July 1, 1997. The main features of this new program are as follows:

- Pregnant women or women with children under age 19 living with them are eligible for this cash assistance
- U.S. citizenship is required for eligibility
- A life time 60-month limit of benefits (including benefits from other states)
- Required participation in planned work or community service
- Minors (those under 18) must live with a parent, guardian, or another approved setting
- Minors who don't have a child under 12 weeks old must have graduated, be in school or have a GED to receive benefits
- Participation in parenting classes is required

- Losing cash benefit eligibility for two years or permanently if convicted of use of drugs or other drug related felonies

(State of Illinois, 1998)

Official Evaluations

A number of handouts, press releases, and speeches by the politicians tend to suggest that these reforms are working. One of such press releases suggested:

Since 1991, more than 200,000 families have moved from welfare to work. During the last 12 months, 41,000 Illinois families have worked their way off welfare. The reduced caseloads are saving Illinois \$70 million, which will be reinvested in community programs, child care, and job training programs. (State of Illinois, 1998).

Indiana

Demographic and Economic Profile

According to the U.S. Census Bureau (1997), the current population of Indiana is 5,840,528. An overwhelming majority of Indiana's population (88.68%) is White. Another 8.18% is Black. People of Hispanic origin make up 2.02% of Indiana's population. The remaining population of Indiana includes Native Americans, Asians, and other races (Table 3).

Latest available data suggest that 10.3% of the population of Indiana live below poverty level (U.S. Census, 1998). According to a report published by Casey Foundation (1998), 19% of all children in Indiana live in poverty, 5% live in extreme poverty, and 10% are not covered by any health insurance (Table 4).

Table 3. Racial and Ethnic Background of Population of Indiana

	POPULATION	PERCENT
White	5,179,182	88.68
Black	477,928	8.18
Hispanic	118,023	2.02
Native Indians	14,022	.24
Asian and Pacific Islanders	51,373	.88
TOTAL	5,840,528	100.00

Source: U.S. Census Bureau, 1998

Table 4. Poverty in Indiana

	PERCENT
Unemployment Rate	3.4%
Population Below Poverty	10.3%
Children Below Poverty	19.0%
Children in Extreme Poverty	5.0%
Children Under Age 18 Without Health Insurance	10.0%

Source: Casey Foundation, 1998, U.S. Census Bureau, 1998

Social Welfare Reforms

In December 1994, even before the federal welfare reform legislation was introduced, the Governor of Indiana made a request to the federal government to allow Indiana to implement changes to their welfare programs in the form of a pilot or demonstration project. Under this pilot project, a number of changes were introduced to the welfare programs in Indiana. Some of these changes included job requirements for welfare recipients, time limits for welfare, and prohibitions of felons and certain immigrants from receiving Temporary Assistance for Needy Families (TANF).

At the end of the pilot project and under the directions of federal guidelines, the state of Indiana created a new department known as The Family and Social Services Administration (FSSA). The main responsibility of this department was to provide services to families with problems, such as insufficient income, mental illness, addiction, mental retardation, disability, aging, and children who are at risk for healthy life. The FSSA has established the following general goals to help needy families:

- Help needy people to obtain and maintain employment
- Help them to be addiction free
- Help them to be violence free
- Help them to reach their full potential
- Help them to provide for the healthy development of their children
- Help them to achieve financial independence, good health, and personal stability
- Support the independence of the elderly and persons with a disabilities

(State of Indiana, 1998)

Guiding Principles

To achieve the above-mentioned goals, the State of Indiana introduced a number of guiding principles for FSSA. Some of these guiding principles are given below:

- Make clients accept personal responsibility
- Make services easily accessible and closer to home
- Community is the natural environment for individuals to live, learn, work and play
- FSSA service delivery builds on community plans, services, and delivery systems
- FSSA operates within a large environment of organizations that purchase or provide services. We understand our common and separate goals within that environment. We plan services and share resources with our partners to meet shared goals most effectively
- Communicate effectively with families, employees, service providers, advocates, unions, elected officials, local government, other states and the federal government
- FSSA funds services that meet client needs and performance outcomes. We use client and outcome data to direct resources. We suspend relationships with non-performers
- Our business systems provide our employees with the tools necessary to make decisions locally and quickly
- We test state and federal requirements against guiding principles. We communicate with advocacy groups and elected officials to develop effective legislation
- We monitor performance to promote improvement

(State of Indiana, 1998)

Main Features

In June 1997, a number of changes were made to Indiana's welfare reform policies to reflect modifications requested by the state legislature. Major changes included:

- In the original pilot project, all able-bodied adults were required to find work and/or participate in Indiana Manpower Placement and Comprehensive Training (IMPACT) Activities, unless they were responsible for the care of their children under three years of age. In June 1997, that age was lowered to two years of age. In December 1997, it was lowered to one year of age, and by December 1998, exemptions would only be granted for adults responsible for a child who is 12 weeks of age or younger.

- As required by the federal government, there now is a 60-month lifetime limit for families receiving TANF. Indiana's 24-month limit only applies to the adult's portion of the family's grant (\$90 per month). The children may continue to receive TANF for an additional 36 months after their parent's entitlement expires.
- Currently all able-bodied adults receiving TANF are subject to the 24-month time limits and are required to participate in IMPACT services (if the care of their children does not exempt them). Previously the 24-month time limits for adults only applied to clients who were assessed to be "job-ready" via the client assessment which takes place at the time of application.
- Two new requirements have been added to the "Personal Responsibility Agreement" that all adults must sign in order to receive TANF. These are: a requirement that children be raised in a safe and secure home, and a prohibition against the use of illegal drugs or the abuse of other substances which would interfere with self-sufficiency. Violations or failure to cooperate with a treatment plan will result in a fiscal penalty of \$90 per month.
- Applicant Job Search, piloted in a few counties requires non-exempt adults to begin looking for work at the time they apply for TANF. Certain supportive services are provided to facilitate the job search process. Applicant Job Search will be implemented statewide in 1998.
- For those clients who have found work and moved off of TANF, services may still be needed. Many may earn enough to keep off of welfare, but will still qualify for Food Stamps, Medicaid and child care subsidies.
- Other families become part of the working poor and do not qualify for the assistance programs, but are struggling to provide for their families. Many of these families may continue to rely on community services, including receiving assistance for housing and utilities.
- It is the goal of FSSA to assist clients after they move off of public assistance so that they can climb up a career ladder, manage their home better and achieve economic independence and security. Current programs in place or planned to address these needs include:

- Job retention services
- Fatherhood initiatives (helping non-custodial fathers find work and improve parenting skills)
- Extended case management
- Individual Development Accounts to encourage savings for home-ownership, education or entrepreneurial ventures
- Transportation services to work
- Vehicle repair
- Substance abuse treatment

- Continue child care subsidies
- Use federal and state funds to provide health insurance to children of welfare recipients even after they are off the program

(State of Indiana, 1998)

Official Evaluations

FSSA has hired the services of a private research company to evaluate the program. According to early findings:

- There's a 7% decrease in average AFDC payments for ongoing clients and a 20% decrease in AFDC payments for recent applicants
- Overall the reform achieved impressive welfare savings for the state
- Greater self-sufficiency and higher income for those who were off the program than those who stay on the rolls
- There were still many recipients who left TANF and were not working full-time or living with a working spouse. Many continued to rely on a wide variety of public and private assistance programs, and a substantial fraction of adults and children had no health insurance.

(State of Indiana, 1998)

Michigan

Demographic and Economic Profile

According to the US census (1997), the population of Michigan is 9,594,350. Of this 81.4% are White and 14.27% are Black. People of Hispanic origin comprise of 2.24% of Michigan's population. The remaining population of Michigan includes Asians, Native Americans, and other races (Table 5).

According to the U.S. Census Bureau (1998), 12.2% of Michigan population live in poverty. The percent of children in poverty is as high as 23%. According to the Casey Foundation (1998) 9% of Michigan children live in extreme poverty and another 8% of them do not have any type of health insurance (Table 6).

Social Welfare Reforms

Table 5. Racial and Ethnic Background of Population of Michigan		
	Population	Percent
White	7,809,463	81.4
Black	1,368,804	14.27
Hispanic	215,033	2.24
Native Indians	58,939	.61
Asian and Pacific Islanders	142,111	1.48
TOTAL	9,594,350	100.00

Source: U.S. Census Bureau, 1998

In 1991, the democratic governor of Michigan was defeated by republican governor John Engler. Social Welfare Reforms was on top of his political agenda. Since his election, he has introduced the following changes in the welfare system of Michigan:

- Termination of General Assistance and creation of State Family Assistance (SFA) and State Disability Assistance (SDA).

Table 6. Poverty in Michigan	
	Percent
Unemployment Rate	3.9
Population Below Poverty	12.5
Children Below Poverty	23.0
Children in Extreme Poverty	9.0
Children Under Age 18 Without Health Insurance	8.0

Source: Casey Foundation, 1998, U.S. Census Bureau, 1998

- Creation of a new program known as **To Strengthen Michigan Families**. In addition, Department of Social Services was renamed as Family Independence Agency (FIA) and *Assistance for Families with Dependent Children* (AFDC) was renamed as Family Independence Program (FIP).

To implement the above changes, new eligibility rules and regulations have been introduced for the welfare recipients under AFDC/Family Independence Program, Food Stamps Program, and Medicaid.

As mentioned earlier, the General Assistance Program of Michigan was developed to help those who face unemployment in this auto manufacturing state. Governor Engler believed that the General Assistance program was creating a class of able bodied dependents. Therefore, after a long and a tactful political struggle, he was able to reduce the budget for General Assistance from \$216.49 million in 1991 to only \$36.75 million in 1992. And in 1993, he was able to completely abolish the program (Thompson, 1995). As a result, 82,000 adults who were receiving General Assistance (Approximately \$226 dollars per month) were cut off the program. Of these 56% were Black adults, an overwhelming majority from the Detroit area.

After the termination of the General Assistance Program, Governor Engler created a new program called State Family Assistance. This program was created for needy families with children who had previously been on General Assistance. As a result, 7,694 out of 82,000 cases of General Assistance recipients were transferred to this program.

Also, State Disability Assistance was created for General Assistance recipients who were aging, disabled, or in substance abuse programs. A total of 4,577 cases was transferred to this program from General Assistance (Thompson, 1995).

After abolishing General Assistance, Governor John Engler turned to the remaining programs. First, the Department of Social Services was renamed as Family Independence Agency (FIA). Second, Assistance for Families with Dependent Children (AFDC) was renamed as Family Independence Program (FIP). Third, a new program known as To Strengthen Michigan Families was created. This program outlines the following four guiding principles followed by 21 directions (State of Michigan: DSS, 1992) to be implemented in the state.

Guiding Principles

- Strengthen families by encouraging employment
 1. Education designed for gainful employment
 2. Expanding entrepreneurial training to promote self-support
 3. Eliminating the work history requirement
 4. Eliminating the 100-hour work limitation
 5. Rewarding earned income.
 6. Excluding earnings and savings of youth
- Strengthen Families by Targeting Support
 7. Fostering family preservation
 8. Expanding child support initiatives
 9. Targeting the children's disability initiative
 10. Improving children's health through EPSDT (early and periodic screening diagnosis and treatment) participation
 11. Expanding maternal and infant support services
 12. Developing a child-care strategy
 13. Helping minor parents on public assistance
 14. Improving the child adoption process
- Strengthen Families by Increased Responsibility
 15. Creating the social contract
 16. Implementing higher aims
 17. Focusing on family planning
- Strengthen Families by Involving Communities
 19. Expanding Communities First.
 20. Developing Youth Education Alternatives.
 21. Increasing Housing Options.

Main Features

Under the new social welfare system, each recipient of state assistance is required to sign a pledge, the "Social Contract," to become independent and strengthen their families by their involvement in one or more of the following activities:

1. Working (full or part time)
2. Taking classes at school
3. Joining a training program
4. Going to self-improvement or parenting classes
5. Volunteering at their children's school, church, a hospital, or agencies like the red cross or Salvation Army
6. Some other community involvement

(State of Michigan, 1993)

To implement this Social Contract and the above mentioned Guiding Principles laid out under *To Strengthen Michigan Families*, the State of Michigan has proposed the following conditions for each of the recipients of AFDC/Family Independence Program, Food Stamps, and Medicaid:

A. AFDC/Family Independence Program

- Attend a joint orientation meeting held by Michigan Job Commission and the Family Independence Agency
- Participate in Job and Training Program or lose the benefits after two months
- A recipient who is a minor parent is supposed to live with an adult and attend school to be eligible for this assistance
- Workers on strike, their spouses, and their children will not be eligible for assistance under this program

(State of Michigan, 1996)

B. Food Stamps

- Require Food Stamp applicants to participate in a joint orientation as a condition of eligibility
- A noncompliance with Employment and Training during the first two months of eligibility will result in loss of entire family's benefits until compliance with the JOBS components listed under AFDC
- Disqualify an adult failing to cooperate with child support for up to four months
- Workers on strike, their spouses, and their children will not be eligible to receive Food Stamps
- Require a minor parent to live with an adult and attend school as a condition to receive stamps

(State of Michigan, 1996)

C. Medicaid

In most cases, Medicaid is given out to those who qualify for other assistance such as AFDC and Food Stamps: Thus, a reduction in the number of recipients of other assistance will lead to a reduction of recipients of Medicaid. As a result, no major changes have been recommended by the state for this program. However, The State of Michigan has recommended various measures to simplify the procedures involved in availability of Medicaid and has sent various proposals to the federal government in the interest of streamlining the national system.

Official Evaluations

Official figures produced by the Michigan Department of Social Services in one of their progress reports during 1992-1995 do not reflect any dramatic achievements. According to this report:

- Three hundred twenty-five people have graduated under the direction on *Expanding Entrepreneurial Training*.
- As a result of the direction on *Rewarding Earned Income*, 29.4% of AFDC recipients were able to increase their earnings. The average income after this increase is \$443 a month.
- Under the direction on *Fostering Family Preservation*, the department claims that the number of children in out-of-home placements resulting from abuse, neglect, or delinquency has decreased.
- Under the direction on *Helping Minor Parents on Assistance* the number of such parents receiving AFDC has decreased from 1,487 in 1992 to 1,173 in 1995.
- Under the direction on *Social Contact/ MOST/ Work First* 73.5% of all AFDC recipients who were not working more than 20 hours a week participated in community work.

(State of Michigan: DSS Status Report, 1995)

According to the above-mentioned progress report, the achievement in most of the remaining directions was either too small or none at all. Even if we assume that the above-mentioned achievements were as a result of the reforms and not the better economy of the state, they appear to be insignificant.

Ohio

Demographic and Economic Profile

The total population of the State of Ohio is 11,172,782 (U.S. Census Bureau, 1998). Of this population, 86.08% are White and 11.32% are Black. People of Hispanic origin are 1.34% of Ohio's population. The remaining population includes Native Americans, Asians, and other races (Table 7).

According to the available data, 12.8% of Ohio's population lives in poverty (U.S. Census, 1997). According to Casey Foundation (1998), 19% of the children in Ohio live in poverty and 10% of them live in extreme

Table 7. Racial and Ethnic Background of Population of Ohio

	POPULATION	PERCENT
White	9,617,466	86.08
Black	1,264,493	11.32
Hispanic	149,373	1.34
Native Indians	22,356	.20
Asian and Pacific Islanders	119,094	1.07
TOTAL	11,172,782	100.00

Source: U.S. Census Bureau, 1998

poverty. Another 10% of the children do not have health insurance (Table 8).

Social Welfare Reforms

The reform efforts by Governor Voinovich of Ohio began in 1995. These efforts were accelerated after the U.S. Congress passed the *Personal Responsibility and Work Opportunity Act* in 1996. In June of 1997 the Welfare Reform Plan was submitted to Ohio Legislature. The same month it was approved by the legislature and the senate. As a result, on Oct. 1, 1997, the State of Ohio

Table 8. Poverty in Ohio

	PERCENT
Unemployment Rate	4.3%
Population Below Poverty	12.8%
Children Below Poverty	19.0%
Children in Extreme Poverty	10.0%
Children Under Age 18 Without Health Insurance	10.0%

Source: Casey Foundation, 1998
U.S. Census Bureau, 1998

eliminated its existing welfare program and started Ohio Works First under Ohio Department of Human Services (ODHS). AFDC and Temporary Assistance to Needy Families was replaced by Ohio Works First (OWF). The following message known as The Core Message, was announced as the new state philosophy on welfare:

“Ohio has fundamentally changed its welfare system to help people become self-sufficient citizens and take personal responsibility for their own lives and futures. The new system provides temporary services to get people employed and help them stay employed.”

(State of Ohio, 1998)

Guiding Principles

Following the federal guidelines, the State of Ohio created the following six Guiding Principles for OWF:

- Personal responsibility
- Community involvement
- Integration of services
- Simplifying service delivery
- Problem prevention
- Evaluation of program outcomes

(State of Ohio, 1998)

Main Features

1. Based on an outcome-oriented business franchise model, ODHS and each county Board of Commissioners will sign a Partnership Agreement, a contractual arrangement between the state and County Commissioners specifying expectations of county performance. The performance will be measured by higher participation of welfare recipients in the work force and by lower of out-of-wedlock pregnancy rates. Performance will be rewarded by financial incentives. For example, if any county saves money by encouraging welfare recipients to work, the county is allowed to use this money for other projects. Counties can also retain funds by reducing distributions through Temporary Assistance for Needy Families (TANF), and to a statewide limit of \$15 million.
2. All adults taking part in OWF are required to work at least 30 hours per week. Adults in a two-parent household must work at least 35 hours a week, or 55 hours if child care is provided.

3. Every participant in OWF will be required to sign a Self-Sufficiency Contract, a commitment to achieve long-term self-sufficiency through unsubsidized employment. This contract will put in writing work activities and other obligations participants must fulfill to receive cash benefits. It will also outline all support services participants are scheduled to receive. Sanctions – in the form of loss of benefits – will be levied if terms of this contract are not fulfilled.
4. Eligible participants can receive cash benefits for up to three years. After three years, they cannot collect cash benefits for at least two years. They may then apply for another two years if they need additional assistance and show good cause.
5. Only those who are eligible for OWF will be eligible for Food Stamps.
6. Participants of OWF must cooperate in any child support enforcement measures - including establishing paternity - to receive cash benefits.
7. Medicaid eligibility will include children through age 18 in families who earn less than 150% of the federal poverty level. All OWF cash assistance recipients are eligible for Medicaid.
8. Child care is guaranteed for all OWF families who are participating in work activities.
9. If a child is removed from an OWF family due to abuse, neglect or dependency, TANF benefits may continue for the family for up to 90 days as long as the family is cooperating with a case plan directed toward reunification.
10. Immigrants who arrived in the U.S. before August 22, 1996, will continue to be eligible if they meet state requirements for services. Those who arrived after August 22, 1996, must live in the U.S. for five years before becoming eligible for core benefits. Illegal immigrants will not be eligible for benefits.
11. There is a three-tier sanction system for the clients of OWF. An entire assistance group loses all benefits except for Medicaid for one, two, and six months under each sanction.
12. Counties will have the flexibility to design services that prevent families from having to use the cash assistance program.

- Teenage parents will be required to live at home or in an adult-supervised living arrangement. Teenage parents are no longer allowed to live in an unsupervised living arrangement and receive OWF benefits.

(State of Ohio, 1998)

Official Evaluations

The State of Ohio has released the following information on the success of their welfare reforms under OWF:

- Ohio’s welfare caseload has declined to its lowest level since 1971
- The official data from the Ohio Department of Human Services show there were 378,706 Ohio Works First recipients in February, the smallest welfare caseload since March 1971 when there were 372,036 ADC recipients
- The number of Ohioans receiving Ohio Works First cash assistance (formerly known as ADC) has declined by 26% since February 1997, and by 49% since peaking in March 1992
- According to Ohio’s Governor Voinovich, the reforms have transformed Ohio’s welfare system from a ‘way of life’ to a way to work which is making dramatic progress in helping families become self-sufficient

(State of Ohio, 1998)

Wisconsin

Demographic and Economic Profile

According to the U.S. Census Bureau (1998), the total population of the State of Wisconsin is 5,159,795. An overwhelming majority (90.04%) of Wisconsin’s population is White. Another 5.51% is Black. People of Hispanic origin are 2.13% of Wisconsin’s population. The remaining population includes Native Americans, Asians, and people of other races (Table 9).

According to the U.S. Census (1998) 8.8% of Wisconsin’s population lives in poverty. The data also suggest that 16% children in Wisconsin live in poverty. According to Casey Foundation (1998), 4% of the children in Wisconsin live in extreme poverty. Another 7% of Wisconsin’s children are without any type of health insurance (Table 10).

Social Welfare Reforms

Major changes for the recipients of welfare in Wisconsin took place in 1996. The process began on Aug. 22, 1996, when Wisconsin submitted its state plan for *Temporary Assistance for Needy Families* (TANF) block grant. That plan was certified as complete and Wisconsin qualified as an “eligible state” for purposes of receiving

Table 9. Racial and Ethnic Background of Population of Wisconsin

	Population	Percent
White	4,646,1241	90.04
Black	284,368	5.51
Hispanic	109,880	2.13
Native Indians	45,277	.88
Asian and Pacific Islanders	74,146	1.44
TOTAL	5,159,795	

Source: U.S. Census Bureau, 1998

TANF block grant funding as of Sept. 30, 1996. The state continued the Aid to Families with Dependent Children (AFDC) program as modified by the AFDC Pay for Performance demonstration project, which was implemented in March 1996.

However, in January 1997, the State of Wisconsin implemented its Wisconsin Works (W-2) program which converted all new and old recipients of welfare into this program by March 1998. Under this plan there is no entitlement to assistance, but there will be a place for everyone who is willing to work to their ability. The program is available to all parents with minor children, low assets and low income. Each W-2 eligible participant will meet

Table 10. Poverty in Wisconsin

	Percent (%)
Unemployment Rate	3.1
Population Below Poverty	8.8
Children Below Poverty	16.0
Children in Extreme Poverty	4.0
Children Under Age 18 Without Health Insurance	7.0

Source: Casey Foundation, 1998
U.S. Census Bureau, 1998

with a Financial and Employment Planner (FEP), who will help the person develop a self-sufficiency plan and determine their place on the W-2 employment ladder.

Guiding Principles

The State of Wisconsin created the following four guiding principles for W-2 Program:

- Work is the primary means to self-sufficiency
- Support of children expected from both parents
- Individuals must be responsible for their behaviors
- Everyone can contribute to their family and community within their ability

(State of Wisconsin, 1998)

Main Features

Given below is a list of changes which have taken place in Wisconsin under welfare reforms:

1. Wisconsin Works (W-2) replaces the AFDC program by offering job placement assistance to parents with dependent children, including non-custodial parents. The eligibility requirements include:

- Wisconsin residency for at least 60 days
- Citizenship or qualified legal alien status
- Cooperation with child support agency
- Social Security numbers for family

2. State will provide the following ladder with four levels of employment options:

A. *Unsubsidized Employment*: Individuals entering W-2 will be guided first to the best available immediate job opportunity. The W-2 agency will support the participants' efforts to secure employment. Persons in unsubsidized employment may also be eligible for earned income credits, food stamps, medical assistance, child care and access loans.

B. *Trial Jobs (subsidized employment)*: For those individuals who are unable to locate unsubsidized work, but have a willing attitude, the FEP will explore options for subsidized employment. These trial job contracts are a way to help the employer cover the cost of training a person who might need just a little extra support in the first three to six months. Trial jobs will be expected to result in permanent positions. Participants will

receive at least minimum wages for every hour of work. The employee may be eligible for earned income credits, food stamps, medical assistance, child care and job access loans.

C. *Community Service Jobs (CSJs)*: For those who need to practice the work habits and skills necessary to be hired by a regular employer, CSJs will be developed in the community. CSJ participants will receive a monthly grant of \$555 for up to 30 hours per week in work activities and up to 10 hours a week in education or training, and may be eligible for food stamps, medical assistance, child care and job access loans.

3. *W-2 Transition*: Transition is reserved for those who are unable to perform independent, self-sustaining work. W-2 transition participants receive a monthly grant of \$518 for up to 28 hours per week participating in work or other developmental activities up to their ability and up to 12 hours per week in education or training. W-2 transition participants may be eligible for food stamps, Medical Assistance, child care, and job access loans.

4. W-2 participants are limited to 24 months in a single work option category, other than unsubsidized employment. The maximum lifetime participation limit is 60 months in work option components. Extensions may be available on a limited basis when local labor market conditions preclude opportunities.

5. Child support will be paid directly to custodial parents and will not cause a reduction of the benefit payment, unlike the current AFDC system.

6. Child care will be available to more low income working families on a co-payment basis.

7. Job access loans will be available to help families meet immediate financial needs that sometimes prevent them from working – like car repairs and personal emergencies.

8. Transportation assistance will ensure that parents can get their children to day care and themselves to work.

9. For cash benefits, the family's gross income must be at or below 115% of the federal poverty level. A family is permitted to have \$2500 in available assets, excluding vehicle equity of \$10,000, and homestead property.

Evaluation

This section examines three aspects of these reforms. In the first part, the assumptions held by the politicians, policy makers, and the authors of these reforms are examined, the second part discusses the possible social implications of these reforms, and the third section raises some of the unanswered questions generated by these reforms.

Assumptions of Politicians and Policymakers

A careful review of the “guiding principles” adopted by the states of Illinois, Indiana, Ohio, Michigan, and Wisconsin, and analysis of press releases, discussions, and speeches, suggests that the authors of welfare reforms in these states believe in the following assumptions:

1. Each one of the above five states assumes that there is work available for everyone and that there are people, “able bodies,” who simply do not want to work. Many policy makers seem certain that such people need encouragement and guidance to change their behavior. In other words, the problem is perceived as behavioral rather than economic. Another related assumption is that any type of work, including jobs with minimum wages, will keep one out of poverty and off state welfare.
2. It is also assumed that people on welfare are irresponsible and should participate in training sessions which teach them about virtues of personal responsibility², organization, and self discipline. This goal can be achieved by forcing the welfare recipients to sign the official documents such as “social contracts.”
3. Furthermore, the states assume that most people on welfare come from broken families, unwed mothers, and teenage parents. Thus, the welfare recipients should be encouraged and in some cases forced to live in a traditional family set-up. In other words, the answer to the problems of poverty is being perceived as a stable traditional family structure.
4. Almost every state has emphasized the significance of relationship of individual and community. The guiding principles of these states put further emphasis on the role of community to help the needy people.

10. Entitlement to cash benefits under AFDC has been replaced by the four levels of work opportunities as listed above under Wisconsin Works (W-2).
11. Prior to 1996, under AFDC, there were no time limits on receipt of benefits. Beginning in October 1996, AFDC recipients who were required to participate in employment and training programs were limited to 60 months of AFDC eligibility. W-2 will have a life time limit of 60 months. Participation in the work components of Trial Jobs, Community Service Jobs, or W-2 Transition will be limited to 24 months each.
12. Supportive services such as food stamps, emergency AFDC, low-income heating assistance and child care assistance will continue to exist. However, they will be tied to time limits.
13. Under W-2 child care will be available to all low-income families (at or below 165% of the federal poverty level) who need child care in order to work or participate in Learn fare or a W-2 employment position. Parents at all income levels will be expected to share the cost of child care expenses through a co-payment to the child care provider.
14. Employment & Training W-2 assumes everyone is able to participate in an employment or training activity that reflects his/her capabilities.

(State of Wisconsin, 1998)

Official Evaluations

The goal of the Welfare Reforms in Wisconsin was to move welfare recipients into jobs, reducing the number of welfare recipients by 50% by the end of 2002. The press releases issued by state officials indicate that they are right on their schedule in terms of achieving their goals:

- In February, there were 43,393 families receiving cash assistance. This number declined to 14,391 families in February of 1998. This translates into a 66% decline.
- As recent as in December of 1997 and January of 1998, cash assistance decreased by 20.0% and 22.8% respectively.
- In just one month distribution of food stamps was down by 1,159 (1.5%).

(T.G. Thompson, 1998)

Let us examine each one of these perceptions in a little more detail. The first guiding principle adopted by the states assumes that there is work available for everyone, that there are people on welfare who simply do not want to work, and thus need help to change their behavior. This scenario suggests that unemployment and subsequently dependency on welfare are behavioral, not economic problems. However, it is difficult to find a country in the entire capitalist world where there is a 100% employment rate for all citizens for all of their productive life. Thus even in a state or nation where everybody is educated, trained, and willing to work, there will be some who will be unemployed. An example comes from the U.S. where, in spite of the booming economy, 4.3% of the population is unemployed (U.S. Government: Labor Department, 1998).

An even more misleading assumption is that anybody who finds work will earn enough money to keep him or her out of poverty and off the welfare program. There are millions of people in this country who work for minimum wage in retail stores, industries, and small businesses. A significant percent of children in these families live in extreme poverty, without any type of health insurance. Most of these families depend upon some extra help to make ends meet. Literature and data on this issue supports this argument and suggests that both poverty and unemployment are the by-products of the capitalist economy at the global level (Thurow, 1993; Bradshaw and Wallace, 1996). The U.S. data on unemployment indicate that even the current booming economy with some record low unemployment rates has 4.3% unemployed people (U.S. Labor Department, 1998). Unemployment rates from the states of Illinois (4.5%), Indiana (3.4%), Michigan (3.9%), Ohio (4.3%), and Wisconsin (3.1%) also support the argument that there will always be people without jobs. The data on poverty presented in the first section and a number of other reports on poverty in the U.S. suggest that a large number of welfare recipients are working poor (K. M. Pollard, 1996) which means that even full time employment does not always pull one out of poverty.

The second guiding principle suggests that the welfare recipients are irresponsible people and that they should be taught responsibility, discipline, and organization by forcing them into “social contracts.” It is true that there are some welfare recipients who misuse the well intended programs. But misuse of the system is evident in almost all economic classes and all occupations. Furthermore, misuse by some does not give us a right to declare that everyone on welfare is irresponsible. An overwhelming majority of welfare recipients from all racial and ethnic backgrounds are hardworking individuals including single mothers, hourly wage earners, farm

workers, and part-time workers. A few of the welfare recipients who are hooked to the system and the politicians are responsible for a number of myths which keep on popping up in the media about the general population on welfare. Some of these myths, followed by the facts, are listed below:

Myth 1. *The vast majority of the poor are Blacks and Hispanics*

Undoubtedly, poverty rates are higher among Blacks and Hispanics. But the majority of poor in the U.S. are White Americans.

Myth 2. *Most people are poor because they do not want to work*

Half of the population in poverty is either under 18 or above age 65. Majority of the remaining half work on minimum wage or have part time jobs which cannot pull them out of poverty.

Myth 3. *Poor families are hooked to the welfare system and cannot stand on their own feet*

The fact is that the poverty population is very dynamic. According to a U.S. Census Bureau survey, only 5% of the poor remained poor for all of 1992 and 1993. Another longitudinal study, found only 12% of the poor who were in poverty for five or more years.

Myth 4. *Most of the poor are single mothers and their children*

Although it is true that single mothers and their children are un-proportionally in poverty but the fact is that 64% of the poor in this country come from married couple families, singles, and other groups of population.

Myth 5. *Majority of the poor live in inner-city neighborhoods*

More than half of the poor (58%) live in suburbs, outside metropolitan areas, and rural areas. Only 23% of the poor live in poverty stricken urban ghettos. The remaining population is spread in central cities.

Myth 6. *The poor live off government welfare*

Only one-fourth of the income of poor adults come from welfare. The remaining income comes from wages or work related activities such as a pension and social security which go to all qualifying individuals regardless of their income.

(William P. O'Hare, 1996)

The third guiding principle assumes that traditional family structure with two married people and children is an answer to the problem of poverty. As discussed in one of my earlier papers (Hussain, 1997), there are literally scores of countries around the globe where millions of families live with traditional family values such as marriage, children, two parents, and other similar traditions. Saudi Arabia, Bangladesh, Iraq, Jordan, India, Afghanistan, China, Pakistan, Ethiopia, Nigeria, Ghana, Mexico, and many more countries can be quoted as examples of countries where traditional family values are strictly followed. In most Asian societies, one can hardly find out-of-wedlock children, while at the same time, these are some of the countries with more than one billion poor and hungry people. Thus, it is very illogical to link family structure to economic problems such as poverty and hunger. In fact, Americans are relatively more rational people who have learned to modify their family structure according to economic reality, rather than vice versa: when they realized that as a result of industrialization, urbanization, and modernization, raising a large number of children was expensive, they lowered their fertility (Caldwell, 1982). In addition, both spouses and children entered into the job market. However, their rational behaviors to fertility and participation in industrial labor force has no control over the greed of corporate world in this country. In the past few decades, there has been a dramatic increase in the wealth of the U.S. corporate world. More and more wealth has been concentrating in fewer and fewer hands (E. N. Wolf, 1995). Whenever corporations such as Wal Mart, Kroger, Meijers, etc., make their way to a small community, hundreds of small businesses are forced out. As a result, thousands of small farmers and hardworking families have been pushed to problems such as poverty, hunger, bankruptcies, and homelessness.

The fourth guiding principle talks about using community involvement to help welfare recipients. There is no doubt that ordinary Americans are very generous people, who come out to help others in emergencies. Family members, friends, neighbors, communities, and charitable organizations still help millions of people in this

country. However, we should not forget that as a civilized society, the state is constitutionally responsible for the welfare of its people. That is part of the reason why citizens pay taxes. Unfortunately, the priorities of states around the globe are influenced by those who are economically and politically powerful. They are the ones who decide who should receive subsidies and welfare. In this country it is the corporate world, middle class, farmers, and a number of other groups and organizations which receive billions of dollars through a variety of welfare programs (Fig. 1 and Table 11). Since these are politically and economically powerful groups, nobody even talks about this upside-down welfare (Huff, 1992).

Social Implications

A number of social scientists argue that poverty is the primary reason why people have to be on welfare (Levine and Zimmerman, 1996), (Klawitter et al., 1996), (Brady and Wiseman, 1997), (Falcon et al., 1997). In the preceding pages, we have pointed out that although the U.S. economy is booming and most states are experiencing one of the lowest unemployment rates in their histories, yet there are millions of American who are poor (Fig. 2). A very recent report released by the U.S. Census in August 1998 suggested that, in the last three years, one-third of the American population lived below poverty³ at least for two months (U.S. Census Bureau, 1998). Specifically, a large numbers of children in Illinois (22%), Indiana (19%), Michigan (23%), Ohio (19%), and Wisconsin (16%) live in poverty, half of them in extreme poverty (Fig. 3). Many do not have any health insurance. Unfortunately racial and ethnic minorities are even poorer in almost every state. A number of recent reports suggest that poverty among minorities has significantly increased in the past decade (Swanson, 1996). Under the circumstances, it is very likely that these reforms will hurt these poor families and children and will push them into extreme poverty.

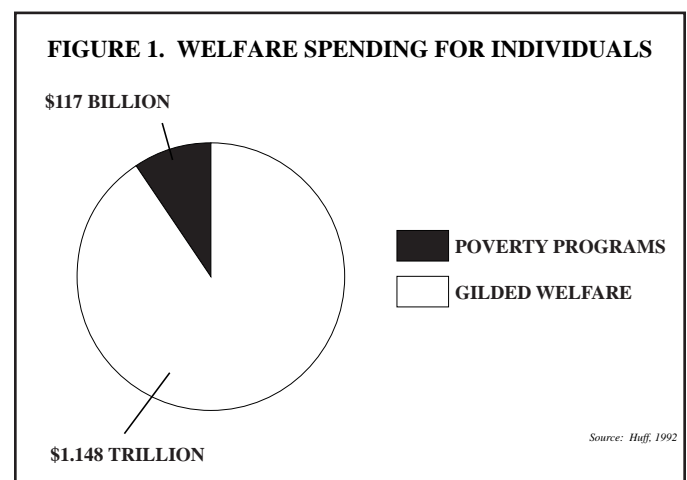


Table 11. Welfare Spending by Program

Welfare Programs for Individuals	Amount (in billions)
MEANS TESTED POVERTY PROGRAMS	
Medicaid	49
AFDC	17
SSI	13
Food Stamps	15
Other (Loans, etc)	24
Total	118
MIDDLE CLASS PROGRAMS	
Social Security	247
Medicare	104
Other retirement programs	62
Miscellaneous benefits	50
Tax Expenditures	300
Fringe Benefits (Health and Retirement)	385
Total	1,148
Grand Total	\$1,266

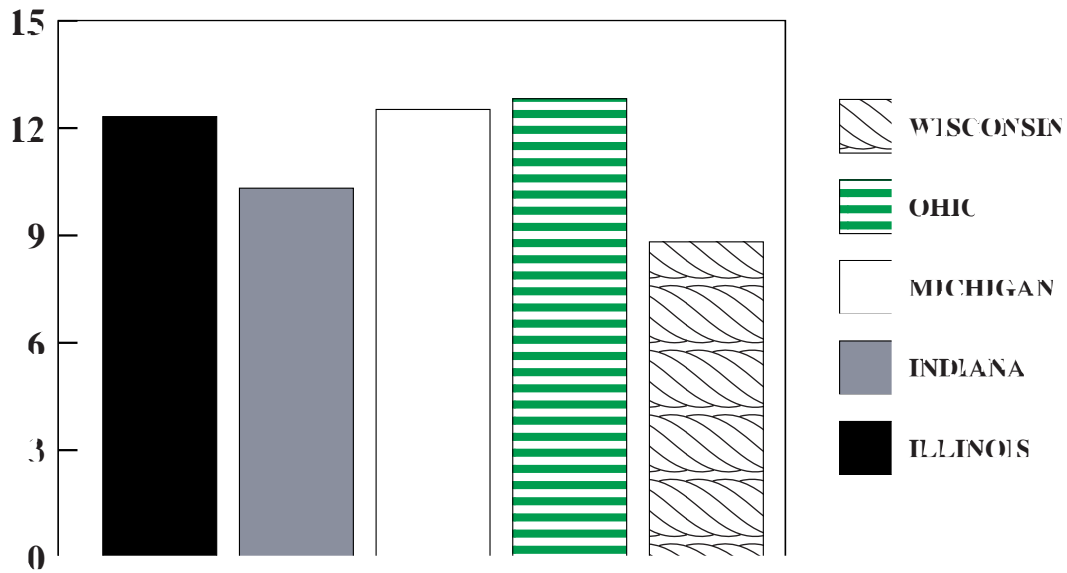
Source: U.S. Budget 1990 (Cited in Huff, 1992).

A number of recent reports suggest that at this time the implications of social welfare reforms are not clear. Although official reports tend to overstate the achievements, social scientists such as Wiseman (1996), Corbett (1995), Haveman, 1994), Meyer and Cancian, 1996), Sandefur and Well (1996) Handler (1995) are skeptical about the positive affects of these reforms, and some suggest that these reforms may significantly hurt the poor. Another report based on empirical research in five Southwest Michigan Labor Camps suggests that these reforms will have serious adverse effects on farm workers (Lacar and Dugas, 1996).

Some startling results come from a recent report released by Second Harvest. The report suggests that the number of needy and hungry people in this country are increasing. Their conclusions are based on a comprehensive study done by this organization. Among other things, the report suggests that in 1997:

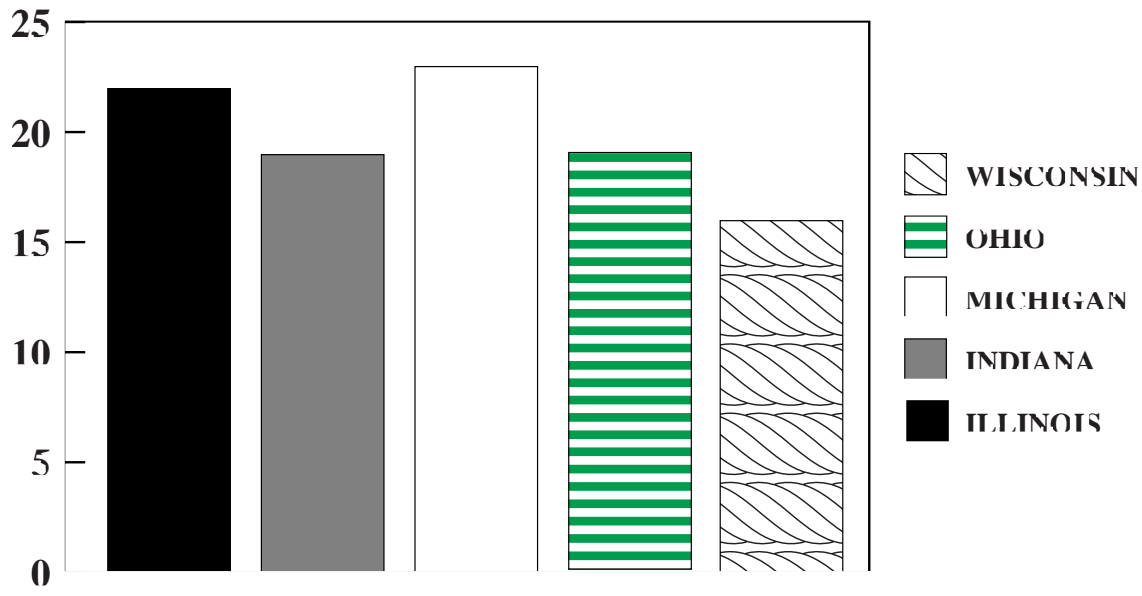
- 26 million people received food assistance from Second Harvest
- 62% of the recipients were females and 38% were male
- 38% of the recipients were children under 18 and 16% were seniors age 65 and older
- 54% of the recipients lived in a single parent home
- In 38.6% of the households at least one person was working. Another 35% were unemployed. The remaining were seniors and other disabled

FIGURE 2. POPULATION BELOW POVERTY BY STATE, 1998



Source: Casey Foundation, 1998
U.S. Census Bureau, 1998

**FIGURE 3. CHILDREN BELOW POVERTY
BY STATE, 1998**



Source: Casey Foundation, 1998
U.S. Census Bureau, 1998

- 86% of the households earned less than \$8,500 per year
- 47% of the recipients were White, 32% were Black, 15% were Hispanic, and 3% were Native Americans
- 36% of the recipients had a high school diploma, 40% did not complete the high school. Five percent were college graduates or had some college
- 90% of all recipients lived in suburbs outside urban ghettos
- 9% of the client's children missed meals during the past month
- 28% of the adult clients had missed meals during the past month
- 28% of the clients have had to choose between medical care, filling prescriptions, and buying food
- 35% of the clients have had to choose between buying food and paying their rent or mortgage
- Only 15.8% of the clients were homeless

(Second Harvest, 1998)

These numbers raise serious questions about the success of social welfare reforms. It appears from these numbers that most of the welfare recipients who have been removed from the system are still in need of help, and that they have been pushed from the welfare programs to the charity organizations. This does not indicate that the reforms are working.

Questions

There are a number of unanswered questions in all of the above welfare reforms. Policy makers in Illinois, Indiana, Michigan, Ohio, and Wisconsin need to look at them seriously:

- Right in the middle of a booming economy and record low unemployment, why is the percentage of people living below poverty level unchanged?
- If welfare reforms are working, why has the number of hungry people, particularly children, increased?
- What happens to the children of the poor who do not follow their obligations under "social contracts"?
- What will happen to working class once the economy is in recession?
- After the 2-5 year limit on welfare expires, what happens to the children of unemployed parents?
- Do the states intend to abandon children, single women, the disabled, legal immigrants, and other disadvantaged groups forever?
- What are the plans of the above states for an entire generation of children who are being raised in poverty, with poor quality food and education, and no health insurance?

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Endnotes

1. Family income below 50% of poverty level.
2. The federal government's act of 1996 itself is worded as, "Personal Responsibility and Work Opportunities Reconciliation Act of 1996."
3. The federal government raised the poverty level to slightly over \$16,000 for a family of four.