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EDITORIAL

Robert D. Leighninger, Jr.

This is the second Special Issue since I've been Editor to grow spontaneously from regular *JSSW* submissions. No Call for Papers was issued. No Special Editor beat the bushes for good quality work. It flowed in over the transom. We did have to delay the publication of some papers and rush others through revisions, but otherwise all we had to do was organize the material. This is testimony to the enduring problems of our welfare system and the devotion of good scholars in a variety of disciplines to finding ways to solve them.

It is worth emphasizing the multidisciplinary character of this issue. Its contributors represent Economics, Political Science, History, Sociology, and Social Work. This is, I hope, a sign of increasing recognition of *JSSW* as a place where important work will be read and cited.

The authors began their reconsideration of welfare for different reasons. Ron Dear's "What's Right With Welfare" was written because of a recurrent classroom experience. When asked to list advantages and disadvantages of the current welfare system, his students had no problems with criticism but could come up with nothing positive to say. Feeling that any reform should maximize strengths as well as correct weaknesses, he set out to assess the positive aspects of the existing system. Students were not the only skeptics. One member of our Editorial Board, when informed of the title of the paper, asked: "Is it more than a half page long?" In fact, it is one of the longest papers we've ever published. We hope it will provide a solid basis for evaluating recent reform efforts.

Len Goodwin did some of the original studies on the relationship of work to income support. Since this theme persists in current reform efforts, his review of workfare research is essential to evaluating those efforts. To remind us that these problems have a history in our society that extends well beyond the time we think of as the dawn of the Welfare State, Cynthia Hamilton's article describes the attempts at reform in the Progressive Era.

Following the Background Section, we have three articles that cover several ideological perspectives on Welfare Reform. Nancy Rose gives us the view of Political Economy, David Congdon offers a new look at Keynesianism, and David Stoesz argues for a new formulation entirely. He combines ideas from the NeoConservatives with some traditional Liberal notions. We hope these pieces will stimulate reexamination of our basic assumptions about how society works and how it might work.

Finally, we have collected case studies of special problems and specific attempts at reform. They cover a wide range and show in detail the dilemmas we face and the cost in human frustration and misery of our failure to resolve them effectively. We hope this Special Issue will contribute something to those resolutions.

What's Right with Welfare? The Other Face of AFDC¹

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Eleven million people, mostly mothers and children, depend on Aid to Families with Dependent Children, America's largest child welfare program. Much is wrong with AFDC welfare, and serious efforts are being made, again, to reform it. So far, no major attempts at reform have been successful. If reform is to succeed, we must understand what needs to be corrected and what does not.

What's right with welfare? This study, not an apology or excuse for AFDC, answers that rarely asked question. Part I surveys background. Part II cites myths and criticisms of AFDC and portrays poverty as it afflicts children and female-headed households. The focus of the analysis is on the depiction of 12 positive features of AFDC. Hidden in this unpopular form of aid are income transfer policy principles important to any consideration of welfare reform. To overlook these principles and to continue to ignore what is right with welfare may doom all efforts at reform.

Our blindness to what is good about AFDC extends to most public social programs and all become vulnerable to attack and budget reductions. Americans need to be made aware of the desirable aspects of their social programs. By scrutinizing AFDC, the most maligned of programs, this analysis is a step in that direction.

Everyone knows what's wrong with the Aid to Families with Dependent Children (AFDC) program. It is generous, expensive, and ineffectual; it is "welfare"² for mothers with children. Conservatives claim it squanders public taxes and fosters dependency, and liberals maintain it is primitive and stingy. The press headlines its fraud and its waste. Politicians suggest that solving the "welfare problem" would resolve our fiscal predicament, get state and federal budgets back in balance, and make government fiscally responsible. AFDC administrators, line workers, and clients themselves derogue the program; staff is demoralized,

clients detest its complicated application procedure and stigmatized support. Nobody likes AFDC.

Purpose

How much of the negative feeling surrounding AFDC is based on fact? This article takes a "stop and think" approach to show that AFDC, with its flaws, serves many critical functions in American social welfare. Indeed, to reduce AFDC further or to eliminate it entirely, as is occasionally suggested, would prove disastrous.

Let's face it: most public social programs in America, and especially those designed for poor people, have a bad name. "This is the land of plenty; work hard and cash in"—is our ethic. Since virtually all of us receive aid from social programs sometime during our lifetime—frequently for long periods of time—this inability to see good in social provision programs in general and in AFDC in particular is national blindness.

What was the origin of this unpopular program? Part I, "The Background of AFDC," briefly examines the context of AFDC and its predecessor, mothers' pensions, defines social assistance and shows how the grant level was set. Major changes across a 53-year history chart the course of welfare reform.

Part II lists two dozen myths about AFDC and also cites five common criticisms. This is the "first face" of welfare and the face with which we are all familiar. Part II also presents 12 positive features of AFDC. What would happen if AFDC ceased to be funded? Who would be hurt? What are the income alternatives for those who depend on it? In other words, what is right with welfare? Not an apology or whitewash, the intent of this critique is to document that AFDC does indeed have another side, a second face that is positive and beneficial.

Part I. The Background of AFDC

Mothers' Pensions

Prior to passage of the Social Security Act in 1935 and the commencement of a national Aid to Dependent Children program, nearly all states had enacted legislation that would provide public aid to children in their own homes. Mothers' pensions

("mothers' aid," "mothers' assistance," "widows' pensions") were public grants in cash or in kind given to selected homes where the male breadwinner was absent. These pensions had much in common with relief under the poor law, but they introduced several new relief concepts and were a prelude to the Aid to Dependent Children program.

Mothers' pensions were evidence of public recognition of the long-term nature of childrearing and of the contribution a mother could make in a fatherless home (*Social Security in America*, 1937, pp. 233–234). Following the recommendations of the 1909 White House Conference on the Care of Dependent Children, mothers' pensions were designed to prevent the breakup or disruption of families solely because of poverty.³

Such aid enabled mothers to stay at home, thereby preventing institutionalization of the children. Not only could the child be cared for best in his/her own home, but also "the mothers' contribution to the home . . . was [usually] greater than her earnings outside the home" (*Social Security in America*, 1937, p. 234). Grace Abbott (1934, p. 191) contended that mothers' aid ushered in a new principle in public assistance, that of adequacy. The first mothers' pension law was enacted in Missouri in 1911 and applied only to Jackson County. The first statewide law as enacted in Illinois in the same year. Within ten years, laws had been passed in 41 states and by 1935, all but two (Georgia and South Carolina) of the 48 states had such legislation (Lundberg, 1930, pp. 273–274).

States were quick to pass mothers' pension laws but slow to implement them. In 1928, for example, when 44 states had such legislation, fewer than 50% used them (Lundberg, 1928, p. 446). Moreover, when the laws were in use, implementation varied widely; many areas gave out small amounts of money that were hardly more than tokens of aid.

In any case, mothers' aid was largely an urban program. In 1934, just prior to passage of the Social Security Act, 51% of all recipients lived in only nine cities (*Social Security in America*, 1937, p. 238), and these cities accounted for more than two-thirds of total expenditures in the country. Six states had fewer than 200 families receiving aid (Abbott, 1934, p. 207).

Moral overtones strongly affected state policies. Aid was re-

served largely for a group Bell called the "gilt-edged widows" (1965, p. 9). One study showed that in 1932, 82% of those in receipt of aid were widows, of whom 96% were white (cited in Bell, p. 9). Not surprisingly, only a tiny minority of those in need received assistance. In 1930, there were 3.8 million female-headed families in the United States, and, of these, slightly over one million were headed by widows. Less than 3% of families at risk received aid and "less than 0.7 of 1% of all children under 18 years of age . . . were covered by the program" (Bell, p. 14).

By 1934, it was becoming clear that the success or failure of an income maintenance program (as measured by grant level, degree of implementation, and proportion of the at-risk population covered) frequently depended upon whether local participation was obligatory or optional and also upon which unit of government instituted, supervised, and helped to finance the program. In retrospect, the history of mothers' aid underscores the notion that in social programs, larger units of government achieve wider implementation, greater uniformity, and tend to provide higher benefits than do smaller units of government.

The Social Security Act and ADC

Current public assistance programs (also called "welfare," public aid, or social assistance) were established in the mid-1930s as part of the omnibus Social Security Act (P.L. 271, 1935). They were public programs designed to help or "assist" a few selected categories of needy people (children, elderly, blind), and, as a consequence, are also referred to as "categorical aid" or as "categorical programs." For those who fit the defined category, the major determinant for eligibility has always been income and level of need. In contrast to social insurance criteria, eligibility is rarely linked to prior employment of the applicant or a member of the applicant's family. (In some states, AFDC-E may be linked to prior employment.) Social assistance is given to individuals and families in several forms, most frequently cash, medical care (Medicaid), food stamps, and social services.

All aid is financed out of public funds, derived from a varying and complex combination of federal, state, and, in some instances, local revenues. Federal revenues are derived mainly from individual and corporate income taxes (90 percent) excise,

customs, duties, and a variety of other minor revenue sources. State and local revenues are derived from income, property, sales, excise and other sources such as gas tax, user fee, etc. With the exception of the sales tax, most of the federal and state revenue sources are comparatively progressive. Unlike financial support for social security and unemployment insurance, no specially earmarked taxes or payroll taxes paid by employers and/or employees are used to finance public assistance.

Complex funding, varying eligibility conditions, and limiting aid to selected categories of people may not seem the most effective way to organize large social programs. Why would policy makers develop such an uncoordinated medley of programs? These patchwork programs only make sense when viewed in the historical context of the period of national crisis in which the legislation was passed, the framework of the Social Security Act, and the predecessor programs of mothers' pensions, old-age pensions, and pensions for the blind. Aid to Dependent Children (ADC, title IV), Old-Age Assistance (OAA, title I), and Aid to the Blind (AB, title X) were the three social assistance titles of the five income transfer sections in the original Social Security Act, signed into law August 14, 1935. In theory, this form of aid was supposed to "wither away" and to be superseded increasingly by old-age insurance ("social security," title II) and, to a lesser degree, by unemployment insurance (title III). In short, the three public assistance titles of the Social Security Act were viewed as emergency measures, designed to take effect immediately in a time of high unemployment, widespread hunger, destitution and homelessness. The nation was in a prolonged economic depression and national crisis. Most private charities had run out of money, and some state and local governments were close to bankruptcy.

Thus, it is not surprising that President Franklin Roosevelt called ADC "a safeguard gainst misfortune which cannot be wholly eliminated in this man-made world of ours." In creating ADC, for the first time the federal government accepted the responsibility to help states underwrite the support of children who had been deprived of a parent because of death, disability, or desertion. Most important, the program provided a means—spearheaded and partly financed from the federal treasury—to

care for those children in their own homes, rather than in institutions, as had been the common practice before (Ross, 1985, pp. 5–6).

In ADC, federal and state governments shared fiscal and program responsibility. Annual appropriations from general revenues provided for the federal share of program costs. To receive money, each state had to adopt a plan subject to federal approval: among other things, the plan had to be effective in all political subdivisions of the state, provide a single administering agency, institute a process for appeal of denied claims, require regular reports to the Social Security Board, and put a limitation on residency requirements. States were free to establish their own eligibility requirements and benefit levels, and to be as restrictive and as discretionary as they chose.

Setting the ADC Grant Level

The original bill did not limit the federal share of the ADC grant, except to say that it should be no more than *one-third* of the amounts expended by state and local governments. The one-third figure, suggested by the Children's Bureau, was based on the belief "that state and local governments should each bear one-third of the cost of this aid" (Witte, 1963, pp. 164–165).

In the old-age assistance program, however, Congress had already decided to pay for *one-half* the total OAA benefit, up to a federal maximum of \$15 a month for each recipient. Thus, if a state chose to pay an elderly person \$15 per month, the total federal/state benefit was \$30 a month. Theoretically, a two-person elderly couple household could receive as much as \$60 a month. Of course, states were free to pay less (or more) than \$15 a month to an elderly person. If they paid more, the federal limit of \$15 would remain.

Several members of the House Ways and Means Committee thought there should also be a limit on the ADC grant. What would be an appropriate maximum? It was suggested

... that the limitation should be the same amount as the maximum pension payable to children of servicemen who lost their lives in World War I, namely, \$18 per month for the first child and \$12 for the second and additional children in the family. In making this suggestion, the congressman completely overlooked the fact

that under the Veteran's Pension Act [an additional] grant of \$30 per month is made to the widow. . . . (Witte, p. 163)

In ADC no money was to be provided to the mother or caretaker. Witte, in his chronicle of the Act, tells us that "no one pointed out this fact at the time, and . . . [the] motion was adopted without dissent" (pp. 163–164). As a result, when the ADC program began payments on February 1, 1936, the federal government agreed to pay one-third of the state's ADC expenditure with a federal ceiling of \$6 per month for the first child (one-third of \$18) and \$4 for each additional child (one-third of \$12).

In establishing the ADC program, Congress committed three major blunders: (a) It fixed the maximum matchable aid for children at the unreasonably low levels of \$18 and \$12 per month. (b) It agreed to pay only one-third of these small maximums. (c) It failed to provide any money to the adult caretaker.

These oversights had an immediate impact. Under the adult program of OAA, a two-person family (an elderly couple) could receive as much as \$60 a month. In the children's program a three-person family (mother with two children) could receive a maximum of \$30 per month. Two people on OAA could receive twice as much as three people on ADC. Witte states:

. . . I called the attention of . . . members of the House committee to the fact that this limitation would operate to keep the federal grants below one-third of the states' expenditures in many cases; further, that it was utterly illogical to expect a mother with a child under sixteen to live on \$18 per month when old age assistance grants of \$30 per month *per person* were contemplated in the same act. This was acknowledged to be a justified criticism, but there was so little interest on the part of any of the members in the aid to dependent children that no one thereafter made a motion to strike out the restriction.

He adds,

There was little interest in Congress in the aid to dependent children. It is my belief that nothing would have been done on this subject if it had not been included in the report of the Committee on Economic Security. That the grants to states for this purpose are limited to one-third of their expenditures, while the grants for old age assistance and blind pensions are for one-half of the

expenditures, reflects this complete lack of interest in the aid for dependent children. (Witte, p. 164)

One half century later this Congressional disinterest in dependent children continues; the errors that resulted in large grant disparities still await correction. Those in the adult categories—the aged, blind, and disabled—now covered under Supplemental Security Income (SSI) continue to receive two to three times more money than children and their families. For example, in August 1988, the average federally administered SSI payment was \$260 per person per month. Twenty-eight states gave an additional \$113 a month. Under SSI a single person might receive \$373 per month and a couple \$746 (*Social Security Bulletin*, Nov. 1988, p. 51). By contrast, in March 1988, the average AFDC payment was \$127 per recipient per month or \$371 for a *three*-person family. The range was \$38 a month for a recipient in Mississippi to \$198 in California (*Monthly Benefit Statistics*, Oct. 1988, p. 12).

Major Changes in ADC and AFDC, 1939–1988

In spite of a negative view of welfare, Congress and the courts have expanded entitlement and increased benefits over the past half century. The fact that conservative Republicans once urged higher welfare benefits (note 4) now appears a strange anomaly, a curious historical footnote. However, they joined the Democrats in 1939 to extend eligibility to children 16 and 17 years of age if attending school. Later, 18 to 20 year olds were also made eligible if attending school. (Recently this age was reduced so that a child must be under 18 and in school.)

A change in 1950 made a needy relative living with an eligible child a recipient. For the first time, a state would receive federal matching funds if it gave aid to an ADC adult (Social Security Act Amendments of 1950). In 1961, the Unemployed Parent program (ADC-UP) made a child eligible for ADC when one parent in a two-parent household became unemployed (Social Security Act Amendments of 1961). In 1962, a major program change included a second adult as a recipient for federal matching purposes. At this time the program changed its name from ADC to AFDC, “F” implying a program for families—not just for dependent children (Public Welfare Amendments of 1962).

Numerous alterations have been made in the complex federal matching formula, nearly all designed to give states a more generous match and to encourage higher benefits to recipients.

Aside from the name change, all these changes were optional to the states: they were free to extend eligibility if they chose to do so. For instance, only 28 of the 54 states and jurisdictions give aid to families with an unemployed parent, and in those states it is a tiny program.

The Continuous Search for Welfare Reform

The last three decades have seen numerous efforts at welfare reform. Most attempts have focused on reducing the size of the welfare rolls by helping recipients become self-sufficient. The Social Security Amendments of 1967 established the Work Incentive Program (WIN). Mothers with children over 6 were required to register for work. Employment Security and the state welfare department were to assist clients in counseling, training, and job referral. Never considered cost effective, WIN underwent many changes and has been superseded by the Job Opportunities and Basic Skills Training program of 1988. No separate funding has been requested for fiscal 1990.

During the early 1970s, Nixon pursued his Family Assistance Program (FAP). Perhaps the most daring effort at reform, Nixon's plan would have provided a national income guarantee for all needy families with children. It was defeated because one contingent thought the plan and its benefits too liberal and far reaching. Opposition also came from those who believed the proposed guarantee too low. The Carter administration recommended a Better Jobs and Income bill. This proved no more successful than the Nixon plan, but it did reflect the growing conviction that any welfare reform should incorporate work requirements. The various Negative Income Tax experiments of the 1960s and 1970s also reflected the intense interest Congress and the public had in the effect of income and tax rates on work efforts.

The 1980s have seen increasing attention and innovation shifting to the states. Massachusetts, California, New Jersey, Ohio, New York City, and Washington State have started their own reform efforts, usually with the blessing (and necessary

waivers) from the federal government. A number of states have introduced work programs. Yet another tack to reform welfare has been to increase administrative efficiency (Brodkin, 1986).

The most recent federal effort at welfare reform saw a somewhat grudging agreement between Democrats and Republicans and resulted in the Federal Support Act signed by President Reagan October 13, 1988. It provides a Job Opportunities and Basic Skills (JOBS) program, offers transitional child care and medical assistance, requires all states to provide welfare to two-parent families, and, not surprisingly, emphasizes moving the welfare parent, usually the mother, out of the home and into the work force. Far from perfect, the act does provide limited new funds for education, support services, and child support enforcement. Over the next five years, federal reform will cost about four percent above current costs, not counting inflation or program expansion.

Whatever may be said regarding welfare reform, work is only part of the answer. AFDC mothers are the only employable people on welfare, and of these mothers, perhaps one-third are employable. The rest are already working, in training, incapacitated, or needed at home. These employable mothers constitute a tiny 6.7% of all 17 million welfare recipients; the rest are children, or blind or disabled or aged persons. Roughly 11% of all AFDC families include a male, and they constitute but 2% of all those on welfare. Many of these men are unable to work because of disability.

The American welfare system does need to be improved. "Real" welfare reform, where employable persons are aided in becoming self-sufficient, has remained an elusive goal. Critics and reformers alike fail to acknowledge that helping people become self-supporting is extremely expensive. It is likely that the aim of reforming welfare and the aim of saving tax dollars are mutually exclusive goals. Reform will cost more than the amount we now pay for welfare, at least in the short run.

The True Cost of AFDC

The constant criticism, debate, analysis, and attempt to reform welfare are remarkable in light of the financial commitment actually made to AFDC. In Reagan's proposed budget of \$1.1

trillion for fiscal 1990 (10/1/89–9/30/90), total federal outlays for AFDC cash payments are estimated to be \$8.5 billion (*Appendix to U.S. Budget*, 1990, p. 1–K 38). AFDC constitutes 0.7 of 1% of the budget. Tracing federal expenditures back 30 years shows little variation: AFDC has never exceeded 1.2% of the federal budget. Recipients of income for *all* means-tested cash programs⁵ rose from 5.8 million in 1960 to approximately 17 million today, a period that encompassed the War on Poverty and the greatest beneficiary increase in 50 years. Surprisingly, and in spite of this threefold increase, public assistance cash grants as a proportion of all federal expenditures remained fairly constant, reaching a high of 3.2% for one year (but usually much less) (Dear, 1982, pp. 26–30).

By comparison, in fiscal 1990, \$22 billion, about 2% of the federal budget, has been allocated to all means-tested cash assistance. In addition to AFDC, this included SSI, earned income tax credit, refugee assistance, and low income energy assistance. Outlays for food stamps were an additional \$12.8 billion (U.S. Budget, 1990).

Why all the fuss? From the standpoint of cost (political rhetoric notwithstanding), welfare, particularly AFDC, is not a big-ticket item. Why the outpouring of energy and time aimed at reducing it further? Apparently, negative and distorted views of welfare are rooted in societal beliefs about poverty, low income, and illegitimacy. Further, there is evidence that this form of assistance is unpopular in other countries as well as in the USA.

Part II: The Two Faces of AFDC

A. *The First Face of AFDC: What's Wrong with Welfare?*

Myths and Criticisms

Myths about AFDC welfare abound and some contain a grain of truth. However, few apply to a large percentage of recipients and *none* apply to a majority. Of the following generalizations, not a single one applies to all recipients, and most are simply untrue:

1. Once on welfare, always on welfare.
2. The welfare population consists of a permanent, dependent class of recipients.

3. The federal government faces a large budget deficit because so much is spent on programs like AFDC.
4. Half of the money in the federal budget is spent on programs for poor people.
5. Women on AFDC/welfare have more children to get more money.
6. Poor people migrate to states with high AFDC benefits to get on welfare.
7. Welfare families tend to be larger than families not on welfare and have more children than nonwelfare families.
8. All children on welfare are born out of wedlock.
9. Most mothers receiving AFDC are in their teens.
10. To get more money, AFDC applicants try to cheat the system by deliberately misrepresenting the facts. As a result, the system is rife with fraud.
11. Most people on welfare simply cannot handle money.
12. If you give more money to people on welfare, they will probably spend it on drink or in other nonworthwhile ways.
13. Almost no welfare mothers have finished high school.
14. Most welfare families are black.
15. Benefits are purposely low in some areas because it costs less to live there.
16. In some states benefits are so high that recipients have little motivation to get off of the rolls.
17. The majority of AFDC families live in private housing and a good number own their own homes.
18. Benefit levels have been rising fast or faster than inflation.
19. Families on welfare living in states with more generous grant levels are brought well above the poverty line.
20. A large number of AFDC families have two able-bodied adult recipients.
21. Most AFDC families consist of able-bodied adults too lazy to work or seek employment.
22. Almost no AFDC parents work, are in training, or are looking for a job.
23. People can receive a sizeable amount from employment and still remain on welfare.
24. Those on welfare have little incentive to work.⁶

The above generalizations are faulty, but there is much that can be legitimately criticized about AFDC. First, grant levels *are* pitifully low. Not a single state provides enough cash income to

bring a mother with one or two children up to the admittedly low official poverty line. (Food stamps do help, but even with food stamps few families are brought up to the poverty level.) The larger the family, the lower the per capita grants. In March 1988, the average monthly payment per person in all states was \$127 per month and for a family of three the average grant was \$371 per month or \$4,452 per year, one-half of the poverty level of \$9,690 for a family of three (*Monthly Benefit Statistics; Social Security Bulletin*, April 1988, p. 2). Furthermore, the average obscures a wide variation in payments: Mississippi pays \$38 a month; California, \$198. Finally, while they are required to define a standard of need for AFDC families, the states are not required to meet it. Few make the attempt.

A second legitimate criticism of AFDC concerns its difficult, demeaning, and painful application procedures. Those seeking AFDC assistance must complete long, complex forms and provide numerous personal documents. Clients often wait many hours with their small children in an overcrowded room to see a harried, underpaid, overworked, eligibility worker who has but a few minutes to review the complex forms and to answer questions. If there is a mistake or an omission on the application, or if additional supporting documents are required (e.g., rent receipts, electric bills, birth certificates, records of prior employment, etc.), the weary applicant is told to return another day to repeat the long procedure. Getting an answer to a simple question ("Is this where I apply for Medicaid?") may require an entire day sitting in the waiting room. At times, aid is denied based on the judgment or discretion of the eligibility worker. In short, one *applies* for welfare—one does not claim it.

A third legitimate criticism of welfare is that many of the rules, regulations, forms, and procedures differ in each of the 54 states and jurisdictions. A needy person may receive benefits in one state and be denied benefits in another. Equally needy families will receive unequal amounts of aid. In only one-half of the 54 states and jurisdictions two-parent families are eligible to apply for aid.

AFDC policies may be criticized because they are sometimes contradictory. To cite only one example, considerable emphasis is placed on getting AFDC parents into the workforce to become

self-sufficient. However, when people do receive income from work under AFDC, they face an unusually high tax rate. The 1981 Social Security amendments changed the tax rate to 67% for the first four months and 100% thereafter. After four months, for each dollar earned, one dollar of benefits is lost. In addition, the fully employed former recipient also loses access to medical care, child care, and other in-kind benefits.

The fifth criticism relates to the quality of life and the daily struggle of the typical AFDC mother. The life of the AFDC family is perhaps indescribable by middle-class standards. Certainly, conditions are worse than stated here or described in most literature or realized by those who wage their untiring criticism of the "welfare mess" and of "all those bums on welfare."

AFDC grants and food stamp allotments are insufficient, and families routinely run out of money before the end of the month. How do people survive on so little income? Some welfare mothers ransack supermarket garbage bins (called "garbaging")—really a modern update of Biblical gleaning—to get enough food for their children. Others sell their blood plasma twice a week for about \$10 a pint to gain desperately needed additional income. Still others pilfer Good Will drop-off bins to get clothing for themselves and their children. To spare themselves the embarrassment of going barefoot, recipients may borrow footwear to go to the doctor, to school, or for other appointments. (In one ironic instance, a family borrowed shoes to go to a welfare eligibility review, where they had to assure the worker they were still in need.) Some mothers, in absolute desperation, resort to prostitution to get money.

Such actions, most illegal, and others, were related by AFDC mothers to the writer, and these women live in a state noted for the *generosity* of its welfare benefits. One wonders how mothers in less generous states manage. (Twenty-four jurisdictions provide average payments of less than \$100 a month per recipient) (*Monthly Benefit Statistics*, Oct. 1988, p. 12).

The myths about welfare and its legitimate criticisms constitute the first face of AFDC, the one that is visible and best known. There are, of course, other myths and additional criticisms. Such a summary underscores program difficulties in a broad political and academic sense. Unfortunately, it understates

the personal decisions that face every AFDC family, especially the mother each day of her life. What is good and desirable in a program so easily discredited? The following section discusses 12 positive characteristics of AFDC.

B. *The Second Face of AFDC Unmasked: What's Right with Welfare?*

1. *AFDC directs benefits to families with the highest risk of poverty and for whom there is no viable income alternative.*

"The dilemma must be faced: the chief cause of poverty in modern society is children." So claimed the late Alva Myrdal in 1941 in *Nation and Family* (p. 66). Aside from the USA, virtually every advanced nation has faced the dilemma by adopting family allowance programs. Most plans in these 63 nations provide monthly grants of money to mothers for each child in every family, regardless of income (*Social Security Program Throughout the World*, 1987, 1988). Here, the public social policy closest to universal allowances is the federal income tax exemption for dependents, a once-a-year provision of little value to those with low income (and low tax rates) and of no value to those with no income. There is also AFDC, specifically designed to direct assistance to high-risk families with children and for whom no other aid is available. Can AFDC be justified? Are there other income alternatives to this form of public aid?

Recent data show 32.5 million Americans (13.5% of the population) living in poverty in 1987. Of the 32.5 million poor, 66% were white, 30% black, and the remainder of other races. (Persons of Spanish origin may be classified as black or white). Of 65.1 million families, 7.0 million or 10.8% were poor (U.S. Bureau of the Census, Current Population Report [CPS], P-60, No. 161, Aug. 1988, pp. 7, 38).

Unhappily, these statistical dice are loaded: In spite of the fact that two-thirds of all poor people are white, a white person in America has only 11 chances in 100 of being poor. For black Americans, the chances of being poor jump to 33% or 1 in 3. Of course, additional characteristics boost the probability of poverty, such as sex of family head and the number of children in the family.

Forty percent of all poor persons are children under 18 years

of age. Both the number and percent of children in poverty have risen; 12.4 million boys and girls under 18 live in families with incomes below the poverty level. The Census Bureau concludes,

The poverty rate for children continues, as it has since 1975, to be higher than that for other age groups, averaging 20.6% for those under 18 years, while that for persons 65 years and over was 12.2% in 1987, and the poverty rate for persons 18 to 64 was 10.8% (CPS, P-60, No. 161, p. 8).

As Table 1 clearly illustrates, husband/wife or married-couple households are the norm, representing more than eight in ten of all families. Female-headed households (no husband present) are still the exception, and households headed by men are a tiny minority: of the 65 million families in 1987, 10.6 million or 16% were headed by women and less than a million were headed by men. However, husband-wife households have declined from 90% in 1959 to 84% in 1987, whereas female-headed households better than doubled in number, growing from 4.5 million to 10.6 million.

Between 1959 and 1987 total families increased by 44% (from 45.1 to 65.1 million), and female-headed families increased by

Table 1

*Number and Percent of all Families by Head of Household:
Selected Years 1959–1987 (in millions)*

	1959		1977		1987	
	No.	%	No.	%	No.	%
Husband/Wife	40.6	90	49.0	86	54.5	84
Female (no male)	4.5	10	8.2	14	10.6	16
Male (no female) ^a	NA		NA		NA	
Totals	45.1	100%	57.2	100%	65.1	100%

^aTotal number of male households with no wife present is included in husband/wife households. They represent a tiny percentage of all households (approximately 1 to 2%). Data not available separately for each year.

Note. Derived from data in U.S. Bureau of the Census, *Current Population Reports*, Series P-60, No. 161 (1988, August), *Money Income and Poverty Status in the United States: 1987 (Advance Data From the March 1988 Current Population Survey)*, Washington, DC: U.S. Government Printing Office, Table 20, pp. 38–39; 1959 & 1977 data are from *Current Population Reports* for prior years.

a stunning 136% (from 4.5 to 10.6 million). Most AFDC cases are drawn from the women and children in these low income households. Table 2 demonstrates that although the number and the percentage of all families classified as poor declined from 1959 to 1977, recent years have seen an upswing in family poverty. The critical difference lies in the composition of this group of poor families. In 1959, one-fifth of all poor families were headed by women. In 1987, over one-half of all poor families were headed by women. Indeed, the single most striking trend in poverty statistics over the last quarter century has been this dramatic increase in poverty in female-headed households.

Evidently, the two-parent, often two wage-earner, household has greatly reduced the risk of poverty. Bearing in mind that 10.8% of all families were in poverty in 1987, and that the risk of poverty in a family was about one in eight, what is the risk of poverty for a child raised in a two parent family versus that of a child raised in a single parent household? Table 3 shows that a child's risk of poverty is only 6% or about 1 in 17 in a husband/wife household. In a female-headed household, the risk is 34% or about 1 in 3.

Table 2

Number and Percent of Poor Families Classified by Head of Household: Selected Years 1959–1987 (in millions)

Family Type	1959		1977		1987	
	No.	%	No.	%	No.	%
Married Couple	6.1	76	2.7	49	3.1	43.7
Female Head	1.9	20	2.6	48	3.6	51.5
Male Head	.3	4	.3	3	.3	4.8
Total Poor Families	8.3	100%	5.3	100%	7.0	100%
% of all families classified as poor	18.3%		9.3%		10.8%	

Note. Derived from data in U.S. Bureau of the Census, Current Population Report, Series P-60 (various years), *Characteristics of the Population Below the Poverty Level*, Washington, DC: U.S. Government Printing Office.

Table 3

Poor Families as a Percent of All Families (Poor and Non-Poor) by Head of Household: Selected Years 1959-1987 (in millions)

Family Type	1959			1977			1987		
	All Families		Poor Families	All Families		Poor Families	All Families		Poor Families
	No.	No.	%	No.	No.	%	No.	No.	%
Married couple	40.6	6.1	15.1	49.0	2.7	5.5	54.5	3.1	6.0
Female head	4.5	1.9	42.2	8.2	2.6	31.7	10.6	3.6	34.0
Male head	NA	.3	—	NA	.3	—	NA	.3	—
Totals	45.1	8.3	18.4%	57.2	5.3	9.3%	65.1	7.0	10.8%

Note. Derived from data in U.S. Bureau of the Census, Current Population Reports, Series P-60 (various years), *Characteristics of the Population Below the Poverty Level*, Washington, DC: U.S. Government Printing Office.

In any event, regardless of who heads the household, the more children, the greater the chance of poverty, as Table 4 amply demonstrates. More children increases the risk of poverty for all families, two parent, one parent, white, and black. While the number of families in the United States with five or more related children was comparatively small in 1987, there was a 50% chance that a child in a family of that size would be in poverty. *If the parents were black, there was a 71% chance that the child would live in poverty.*

The link between family size and poverty, and that between family size/race and poverty, is clear and has existed for years. But the link between family size/race/female-headed households and poverty is so striking that it is the most compelling of all poverty data.

Table 5 shows that a white mother with one child has a 30% chance of poverty. Her black counterpart has a 42% chance. Again, the close correlation between number of children and probability of poverty is evident: the more children, the more poverty. A white mother with four children and no husband

Table 4

Poverty Rate by Number of Related Children Under 18 in All Families, 1987

No. of Children	All Families (Poor & Nonpoor) Millions		Percent of Households Below Poverty Level		
	No.	Percent of Total	All Races	White	Black
None under 18	31.1	47.9	4.9	4.0	14.4
1 child	14.4	22.0	12.0	9.7	25.6
2 children	12.5	19.2	13.8	10.7	35.2
3 children	4.9	7.5	24.4	18.3	52.7
4 children	1.5	2.3	35.3	26.5	57.5
5 children or more	0.7	1.1	49.0	39.4	71.0
Total	65.1 million	100%			

Note. Derived from data in U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 161 (1988, August), *Money Income and Poverty Status in the United States: 1987 (Advance Data From the March 1986 Current Population Survey)*, Washington, DC: U.S. Government Printing Office, Table 19, p. 36.

present has a 73% chance of poverty; a black mother similarly situated has an astonishing 87% chance—and these poverty rates exist *after* all income transfers.

Clearly, there are people in the United States who are poor and who cannot support themselves. We even know something about the incidence of poverty and about its population. We know that a child born into a family where there are other siblings and where the mother is a single head of household and black—that child is likely to live in poverty at some time in his or her life. (Other factors, not discussed here, further increase the risk of poverty for such a child, such as having a mother who lives in the South, who is unemployed and who lacks education.) Myrdal's observations are as accurate now as when she made them:

The more children there are in a family the more decidedly will poverty be their atmosphere. It will change the very volume of the air they breath, reduce the food they eat, and narrow the margin of culture available to them. . . . When a disproportionate number

Table 5

Poverty Rate of Female-Headed Households Classified by Race with Number of Related Children Under 18, 1987

No. of Children	Total No. Female-Headed Households	Percent Below Poverty Level		
		All Races	White	Black
None under 18	3.5	9.8	6.8	22.4
1 child	3.3	33.6	29.5	42.3
2 children	2.3	45.7	39.1	60.3
3 children	1.0	69.2	60.5	80.1
4 children	0.3	77.8	72.9	81.1
5 children ^a or more	0.2	86.7	—	86.9
Total	10.6 million			

^aFemale heads of household with more than five children are too few (less than 75,000) to permit reliable calculations.

Note. Derived from data in U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 161 (1988, August), *Money Income and Poverty Status in the United States: 1987* (Advance Data From the March 1988 Current Population Survey), Washington, DC: U.S. Government Printing Office, Table 19, p. 37.

of the nation's children are born of the poor, this becomes a cause of national worry . . . (Myrdal, 1941, p. 99)

Without AFDC, many children would suffer from even more severe poverty. Thus, AFDC decreases the suffering of the "deserving poor," especially children. And at times it may be the difference between bare survival and death.

Are there other ways to achieve this end? As discussed below, few alternatives to AFDC are acceptable on political or practical grounds. Neither social insurance, private charity, increased assistance from state or local government, a guaranteed minimum income, a universal demogrant, full employment, nor work programs are viable options. Why not?

First, eligibility in all social insurance programs is based on prior employment. Social security, unemployment insurance, railroad retirement, workers' compensation, and temporary disability insurance—all are insurance programs designed for workers, retired, injured, disabled, and their dependents; and, for deceased workers, their survivors. These programs do aid low-income families—far more than does social assistance. Unfortunately, millions of needy people have not worked and are not covered by social insurance.

What about private charity and state and local governments? In part, AFDC and its predecessor programs of Mothers' Aid were established because private agencies could not meet the financial needs of millions of needy people. Private charities do not have the resources nor are they equipped to aid even a fraction of the millions in financial need. State and local governments are not inclined to establish additional programs to help their poor. They are even reluctant to adopt existing social programs that have generous federal support and to which they need pay only part of the cost.

Certainly, there are public social program alternatives to AFDC such as a universal demogrant, a generous children's allowance, or a guaranteed minimum income. Establishing a national health service would be a giant step ahead, as would a national incomes policy and greater availability of subsidized, quality daycare. However, these alternatives to AFDC do not appear politically feasible at this time. Federalizing the costs of AFDC, as was done for the adult categories in SSI, might be the

most reasonable advance, although current federal and state policies appear headed in the opposite direction.

For more than one-half century AFDC has been *the* major, direct, and relatively inexpensive way to assist poor children and their parents. It helps children whose parents are deceased or unemployed; it helps children whose parents are separated, divorced, or unmarried. Regardless of the cause of the need, children require basic necessities, and AFDC helps to provide these children and their caretakers with food, shelter, and medical care.

2. AFDC provides money to millions of needy people.

AFDC assists the population it was intended to assist; it aids those with the highest risk of poverty—families with children. Approximately 3.8 million families received income from AFDC in March 1988. Thus, in any single month, AFDC increases the well-being of over 11 million low-income people, including more than 7.3 million children and 3.7 million adults. A high rate of client turnover makes it likely that AFDC benefits 16 to 17 million individuals in approximately 6 million different households over a year's time. Data for total individuals and households aided each year are unavailable because an unduplicated count is not maintained of those on welfare over the course of a year.⁷

Perhaps as much as 7% of the United States' population and about 15% of all 34 million families with children receive AFDC over the course of a year. AFDC tends to be used as a temporary source of income until other, more permanent means of support can be found. Median length of time on AFDC is just over two years, but many families receive aid for shorter periods, frequently two to four months. Most women who use AFDC do not get trapped by it. In light of program criticisms, this is not surprising. On the other hand, the minority that stay on AFDC a long time accumulate, and the majority of costs of AFDC are for those who stay on for a long spell (Duvall, 1982; 1986 AFDC Characteristics Study; Ellwood & Summers, 1986, pp. 71–72).

3. Each year AFDC transfers billions of dollars to low-income families and reduces or eliminates poverty in those it assists.

Cash social assistance expenditures are relatively small, especially when compared to the gigantic cash transfers made

through social insurance.⁸ Approximately 4%—\$16.5 billion—of all cash income transfers was for AFDC in 1988.

Nevertheless, AFDC remains America's largest cash social assistance program. Each year it transfers billions of dollars to poor families to help them pay for housing, food, utilities, clothing, transportation, and other necessities. Grants are based on need and the number of persons in the family. Without AFDC, many families would lose their housing and go without food. More than \$17 billion will go to eligible low-income families in fiscal 1990, a figure which includes a federal contribution, on average, of 55%. Table 6 summarizes the money transferred to low-income families through AFDC from 1960 to 1989. Within the last 19 years AFDC provided approximately \$232 billion (unadjusted dollars) to America's less fortunate families.

Receipt of AFDC cash benefits removes about 5% of its recipient families from poverty. If the market value of noncash transfers are included, then AFDC removes about 50% of its families from poverty. For those not removed from poverty, the mean poverty deficit for a typical three person AFDC family is reduced from \$7,807 to \$3,242, after receipt of cash and noncash benefits (U.S. Bureau of the Census, Technical Paper 58, 1988, pp. 16–17). At the very least, AFDC relieves some of the agonies of poverty.

4. AFDC recipients have ready access to a number of noncash benefits.

One of the primary advantages of being an AFDC recipient is a simultaneous and almost automatic right to in-kind benefits. Defined as any "noncash benefit in a form other than money which serves to enhance or improve the economic well-being of the recipient," examples include medical care, surplus food, food stamps, housing, and social services (CPR, P-60, No. 141, p. 21). In 1987 the market value of means tested noncash benefits was almost double that of all means tested cash assistance. The largest component of means tested noncash aid is Medicaid, which comprises 72% of such assistance (Technical Paper 58, 1988, p. 2). In-kind benefits make a major contribution to the well-being of low-income people.

Members of a family receiving AFDC are eligible for com-

Table 6

Summary of AFDC Cash Transfer Payments, 1960–1989 (in billions)^a

Year	Total
1960-69	\$18,535,766
1970-79	84,845,786
1980	12,475,245
1981	12,981,515
1982	12,862,016
1983	13,839,471
1984	14,504,710
1985	15,195,835
1986	14,986,518
1987	16,238,000
1988	16,540,000
1989 ^b	17,107,000
Total Payments 1960 to 1989	\$250,111,863

^aIn unadjusted dollars. Totals do not include costs of administration. The federal share of administration is now 50%. The federal share of cash payments averages 55% but ranges from 50 to 65%. States and localities pay the remaining average of 45%.

^bEstimate.

Note. Derived from data in *Social Security Bulletin Annual Statistical Supplement 1987*, p. 294; personal communication with Social Security Administration for 1987 and 1988. The 1989 estimate is from *Appendix to U.S. Budget, 1990*, p. 1-K, 38.

prehensive medical care under Medicaid, Title XIX of the Social Security Act, passed into law in 1965.⁹ To many low-income people, access to health care for all family members is the single most important benefit of welfare. Maybe they can get along without much money, some think, but they cannot raise their children without access to medical and dental care. As Table 7 shows, the largest number of recipients in the Medicaid program are children and adults in AFDC households; they comprise 69% of all Medicaid recipients. However, even though they constituted over two-thirds of Medicaid recipients, AFDC households account for only 24% of all expenditures (right half of Table 7).

The left side of Table 8 lists an unduplicated count of medical

Table 7

Unduplicated Number of Medicaid Recipients and Vendor Payments by Eligibility Category, Fiscal 1986^a

Category	Recipients ^a (in thousands)		Payments (in millions)	
	No.	%	Amount	%
Age 65 and over	3,140	14	\$15,080	37
Blindness	81	.4	277	1
APTD	3,091	14	14,587	36
Children under 21 ^b	9,954	44	5,096	12
AFDC adults ^b	5,618	25	4,848	12
Other	1,138	6	992	2
Total	22,405		\$40,878	100.0%

^aRecipient categories do not add to unduplicated total because of the small number of recipients that are in more than one category during the year.

^bThe total unduplicated number of AFDC Medicaid recipients exceeds 11 million AFDC recipients for 1986. The AFDC client count is usually given for December and does not reflect the total AFDC recipients for that year.

Note. Derived from data in *Social Security Bulletin Annual Statistical Supplement 1987*, Tables 169 & 171, pp. 253, 255.

services to Medicaid recipients. It shows 68.8 million units of service, or an average of three units per recipient (68.8 million units of service divided by 22 million recipients). However, the cost of each unit or type of service varies considerably. A stay in a nursing home or a mental hospital is more costly than a visit to a doctor or a laboratory test.

The right side of Table 8 shows the actual cost of Medicaid vendor payments by type of service. Fully 71% goes to inpatient services in general hospitals, mental hospitals, skilled nursing facilities, and intermediate care facilities, all services more likely to be used by adults (and especially the elderly) than by young people. Young people in AFDC families are likely to use physician and dental services and visit outpatient clinics.

The average annual value of Medicaid in 1982 for the four major classes of recipients appears in Table 9. Note the effect of including the costs of institutional care for each recipient group: For the nondisabled group under 21, institutional costs increase

Table 8

Medicaid Benefits: Unduplicated Number of Recipients by Type of Medical Service and the Amount and Percentage of Payment for Each Type of Service, Fiscal 1986

Type of Service ^a	No. of Recipients for each service (in thousands)	Medicaid Vendor Payments by Type of Medical Service	
		Amount (in millions)	Percent
Inpatient	3,570	\$11,406	28
Intermediate Care	1,034	11,798	29
Nursing Homes	570	5,651	14
Physician Services	14,808	2,545	6
Dental Services	5,143	529	1
Other Services & Family Planning	5,184	478	1
Outpatient Hospital	10,711	1,983	5
Clinic Services	2,033	810	2
Laboratory Services	7,122	424	1
Home Health	593	1,352	3
Prescribed Drugs	14,704	2,692	7
Other Care	3,316	1,098	3
Total recipient units of service	68,788	\$40,878	100%
Total recipients	22,405		

^aRecipients may receive more than one type of service.

Note. Derived from data in *Social Security Bulletin: Annual Statistical Supplement 1987*, Tables 168 & 171, pp. 252, 254.

expenditures by 2%; for those 65 and over, institutional care increases expenditures by over 300%.

Other major noncash assistance for which AFDC families may be eligible include food stamps, public housing, school lunches, free or reduced-price school breakfasts, the Womens' and Infants' Care program, and several child nutrition programs. In addition, a wide range of social services (costing some \$3 billion a year) is available. There are no separate data assessing the value of most of these programs to an AFDC family.

Table 9

Average Annual Market Value of Medicaid by Major Recipient Groups in 1982^a

Recipient Group	Including Institutional Expenditures	Excluding Institutional Expenditures
Age 65 and over	\$3,349	\$ 813
Blind and disabled	3,720	1,787
Ages 21-64, nondisabled	817	812
Less than 21, nondisabled	381	373

^aEach state has its own value. Data are average for all 50 states and District of Columbia.

Note. Derived from data in U.S. Bureau of the Census (1984), Technical Paper 51, *Estimates of Poverty, Including the Value of Noncash Benefits: 1979 to 1982*. Washington, DC: U.S. Government Printing Office. Tables B7 & B9.

However, excepting social services, the value of all other noncash programs is less than 10% of the Medicaid, food stamps, and public housing.

What percent of AFDC families receive major noncash benefits? Almost all AFDC families receive (or are at least eligible to receive) medical benefits under Medicaid, and four-fifths receive food stamps. Two-fifths of AFDC children benefit from school lunches and about one-fifth of AFDC families are in public housing or receive HUD or other rent subsidies (*Characteristics of AFDC Recipients* 1986).

What is the actual value of noncash benefits for a typical AFDC family of three? Table 10 estimates the market value (not the cost or the value to the recipient) of major noncash benefits to such a family. The mean annual market value of food stamps received by an AFDC family of three was \$1,125 in 1987. Free school lunches show an estimated annual value of \$580 for two children in 1987. The average annual market value of Medicaid for an AFDC family of three was \$2,166 in 1987, but the range extended from less than \$1,000 in some states to over \$3,000 in others (Technical Paper 58, 1988). It is difficult to count the value of medical care as income. One family with a run of poor health may far exceed the national or their state average. Another family

Table 10

Estimated Market Value of Noncash Benefits for an AFDC Family of Three in 1987^a

Program	Market Value
Medicaid	\$2,166 ^b
Housing	1,615 ^c
Food Stamps	1,125 ^d
School Lunches	580 ^e

^aThe market value of an in-kind transfer is equal to the private market purchasing power of benefits received by individuals. The market value of medical care is based on an insurance value approach, not on the amount of medical care actually received.

^bAverage for entire United States. Amounts vary greatly among states. Calculation is based on family of one adult, two children under 21. None are disabled or institutionalized (see Technical Paper 58, Table B-6, p. 25).

^cBased on assumption of three person household with income between \$5,000 and \$7,495 per year.

^dThe market value assigned for food stamps was the annual face value or purchasing power of food stamps in the market place (Technical Paper 58, pp. 4, 21).

^eFree school lunches (as opposed to reduced price) for two children for 167 days a year (Technical Paper 58, p. 21).

Note. U.S. Bureau of the Census, Technical Paper 58 (1988, August), *Estimates of poverty including the value of noncash benefits: 1987*. Washington, DC: U.S. Government Printing Office.

may be eligible to receive Medicaid but not use or require any medical care in a given year.

The market value of housing subsidies for public or subsidized housing vary by type of household, size of family, and total household income. Therefore, generalizations about the value of subsidized housing are difficult to make. However, for a typical AFDC family with a housing subsidy, the value approximates \$1,615. Very few families receive all four of the major in-kind benefits. Thus, it is inappropriate to add all of these benefits in Table 10 and apply this total to any individual household or use it as an average for all AFDC families. Nearly all AFDC families have direct access to one or more noncash benefits of food, medical care, and housing. Undoubtedly, these benefits greatly increase familial well-being.

5. *AFDC is a public program.*

AFDC is publicly sponsored and financed. Federal, state, and local governments recognize the need and have taken responsibility for this category of needy people. The private sector does not finance the construction of roads and airports, pay for reconstruction required by national emergencies or disasters, nor fund the welfare program. Private charities had a total outlay of \$87 billion in 1986. Forty-six percent went to religion, 14 to health, 15 to education, 11 for human services, 7 to the arts, and 7% for other things. Perhaps some of the money directed to religion and human service was given to poor people to spend, but typically the private sector cannot be expected to provide cash to low income people, at least in the long haul (*Giving USA*, 1987). Mass destitution is not something for which United Way, private charity, foundations, or business can assume even partial on-going responsibility. It is, in fact, not their job. Poverty is a public problem and requires a public response. Public welfare, by definition, is the responsibility of the public sector.

6. *AFDC is a national program with federal leadership and support.*

With the impetus of generous federal match funding (varying from 50% in high income states to 65% in low income states) and federal assumption of 50% of administrative costs, all 54 states and jurisdictions have assumed responsibility for the support of female-headed households. In addition, 28 states provide AFDC benefits to husband/wife households.

State fiscal priorities do not tend to be poverty-oriented. Without national leadership and the impetus of federal matching grants, it is likely that some states would provide little aid to needy families with children. Even with generous federal support (up to 65% in one-fourth of all states) only one-half of the states and jurisdictions assist two-parent families. As illustrated earlier, the history of federal assistance to the states has been characterized by an unrelenting effort by the national government to motivate state governments to raise grants to AFDC families. Clearly, poverty is a national problem and requires national remedies. Unfortunately, the United States has been slow to adopt this view.

Further evidence of the importance of the federal spur to

states to aid their low-income residents appears in the efforts states make to aid low-income citizens when there is no federal grant-in-aid program. For example, what do states do for needy people who are *not* elderly, blind, disabled, or in single-mother households? What support do states give families without children? To nondisabled adults? To poverty-stricken persons between 18 and 65? To long-term unemployed adults whose unemployment benefits have expired? To "marginal" persons not classified as medically disabled but not able to work? For persons without health insurance for themselves or their families? To the teen-age unemployed? Finally, what help goes to people who *do* receive federal aid from SSI or AFDC and who still remain poor?

"General assistance" is the nonfederal response, and it is meager. A remnant of the Elizabethan Poor Law, general assistance is an entirely state/local program designed to aid low income people who do not fit federal categories of assistance. Two-thirds of all states and jurisdictions provide general assistance, aiding 1.3 million people per month at an annual cost of \$1.4 billion.¹⁰

Of the 40 states with general assistance programs, 10 states had caseloads of fewer than 1,000 people, whereas six states saw nearly 80% of those on general assistance. Benefits were low, averaging \$127 per month per recipient in 1980. Furthermore, general assistance benefits are usually available for limited periods (60 to 90 days). Without AFDC, millions of poor people, especially children, would be utterly without income support.

7. AFDC has high target efficiency.

AFDC gets money and in-kind benefits to low income people who need it and not to people who do not need it. The program is targeted to the poor; it provides aid to many families in poverty who are most in need, mainly female-headed families with children. In contrast to old-age, survivors, disability insurance (OASDI or "Social Security"), AFDC provides little money to those above the poverty line. Social security lifts many people from poverty, but at a very high cost. For example, OASDI's yearly outlays to its more than 38 million beneficiaries are estimated at \$220 billion in fiscal 1989—26 times the federal cost of AFDC payments. When social security payments are in-

creased, benefits for all 38 million recipients, poor and nonpoor, are increased. Since benefits are raised by the same percentage for all recipients, those with the highest benefits are enriched the most. Each dollar increase in AFDC goes only to the poor.

8. *AFDC results in two types of vertical income redistribution.*

Eligibility for public assistance, Medicaid, food stamps, and subsidized housing is determined, in part, by an applicant's resources (value of home, car, investments, life insurance, etc.) and by her level of income. Both federal and state laws are specific on this issue. For example, applicants who have too many resources or too much income must "spend down" (sell the car, divest the life insurance, etc.) to a level that demonstrates destitution. Thus, recently unemployed persons who wish to apply for Medicaid must prove to the eligibility worker that they do not have the means to survive without AFDC or Medicaid; ("means test"). In addition, they must justify need by passing a "needs test." Careful and continuous use of the means and needs tests insure that public aid programs retain high target efficiency by providing aid solely to individuals near or below the poverty line.

AFDC cash benefits are derived 55% from federal general revenues. Federal general revenues (excluding earmarked Social Security) are derived almost entirely—89% in fiscal 1990—from individual and corporate income taxes, the most progressive form of income generation (*Budget of U.S. Government*, 1990, p. 4–3). The federal income tax, replete as it is with shelters and loopholes, is still our most progressive system of taxation.¹¹

States, on the other hand, differ considerably in the progressivity or regressivity of their methods of revenue generation. Some jurisdictions, such as California, Colorado, and the District of Columbia, depend heavily on graduated income taxes. Others, such as Illinois, Indiana, Michigan, and Pennsylvania, levy flat rate income taxes. Still others (Washington, Nevada, and Texas) rely on sales tax systems that are clearly regressive. This last system affects all income levels, but falls most heavily on those with low income since a larger proportion of the expenditures of low income people are subject to the sales tax.

In general, most of the federal money used to finance AFDC, SSI, and in-kind benefits comes from a progressive tax system.

In other words, the federal money that finances AFDC tends to come from those who earn the most and is redistributed to those who have the least. This important form of vertical redistribution takes from those who have money and gives to those who do not. Furthermore, since the amount of the federal contribution to individual states varies from 50 to 65% in AFDC and 50 to 78% in Medicaid, depending on the wealth of the state, redistribution also occurs from the more affluent to the less affluent states (*Social Security Bulletin, Annual Supp.* 1987, p. 60).

Is progressive taxation and income redistribution from upper to lower income people and from richer to poorer states a desirable social goal? Most advanced nations favor this or similar forms of redistribution. Certainly, the United States grants modest vertical income redistribution through its public aid programs.

9. *AFDC allows children to remain in their own homes.*

The United States supports the idea that parents are the best qualified to raise their own children, and AFDC was specifically designed to keep children in their homes. Because of this aid, a low income mother may remain with her children to provide the attention and care necessary to raise them. An increasing number of single parents have come to depend on AFDC at some time in their child-raising years.

Prior to 1935, the common practice was to put a destitute child in the home of a relative or neighbor, or in a foster home or institution (Social Security Board, *Social Security in America*, 1937, p. 233). AFDC allows millions of poor children to remain in their own homes, usually with their mothers. Without AFDC, many children might be deprived of their homes and their parents.

10. *The AFDC benefit level can be adjusted to the needs of the family and to its size.*

In theory, AFDC benefits are related to the needs of the client and to the size of the family: the greater the need, the higher the benefit. This theory is illustrated by the wide variation in family benefits within the same state, since each additional family member increases the grant level. Again, in theory, social assistance programs such as AFDC and SSI are far more flexible than the major social insurance programs such as social security and unemployment insurance.

In these latter programs the exact benefit level is established by law and is entirely unrelated to actual client need. In fact, those with the greatest need often have had the most tenuous attachment to the workforce and thus have, in absolute dollars, the lowest social insurance benefits. The greater the need, the lower the benefit.

Due to fiscal limitations faced by many states and because of the unpopularity of "welfare," poor people, and of AFDC, states are reluctant to exercise the great potential flexibility of AFDC. Benefits remain pitifully low. In practice, most states do not provide cash benefits up to their own defined level of need. Nevertheless, AFDC has the potential flexibility of tailoring the benefit level to meet the special financial needs of each recipient family, whatever that level of need might be.

11. *AFDC permits recipients to spend cash benefits as they choose.*

As opposed to vouchers, food stamps, Medicaid, and other in-kind benefits, AFDC distributes cash to clients and permits them to spend it as they wish. Using cash is less stigmatizing and less demoralizing to recipients than using vouchers, food stamps and other in-kind benefits. In other words, cash benefits enhance individual freedom and independence.

Is it wise to give cash to low income people? After all, they may spend it irresponsibly or on items which do not benefit the family. Money given to low-income families is used for the benefit of the family to meet such needs as rent, utilities, food, clothing and transportation. Most parents are genuinely concerned with the well-being of their children, and spend their money, whatever the source, for basic family needs. In any event, AFDC benefits tend to be so low that families must pay first for necessities or risk shut-off of utilities, loss of housing, or hunger.

12. *AFDC eligibility is based solely on family composition and on need and is rarely linked to employment.*

Except in the AFDC-E program, receiving AFDC benefits is not labor related and is not contingent on prior attachment to the workforce. Indeed, a woman may be entitled to AFDC social assistance benefits who has never worked a day in her life. Presence of a child or children in the household, inadequate assets and low income are the basic considerations in determining AFDC eligibility. In contrast, unemployment compensation, social se-

curity, and other social insurance programs always base eligibility on prior attachment to the workforce. Without a proven history of working in covered employment, and sometimes a substantial proven history, a person is not eligible for social insurance.¹²

Additional data could be summoned to further illustrate positive aspects of AFDC/welfare. For example, it enables women to leave abusive relationships; "... many women choose to remain with an abusive husband because the alternative is bringing up children in poverty" (Straus, 1983, p. 1632; Strube, 1987, p. 791). Moreover, high teenage pregnancy is related to low welfare payments and low pregnancy to high payments (Stein, 1986, p. 69).

Conclusion

AFDC is decidedly unpopular and much is wrong with it. As welfare reform is again attempted, what lessons might be learned from this analysis? The major point has been to illustrate that it is absolutely crucial to acknowledge, understand, and appreciate what is right with welfare. Are there other lessons?

Mothers' aid, the predecessor of AFDC, clearly illustrated two fundamental income transfer policy principles. First, programs required in all political jurisdictions are far more successful than those left to the option of localities. Second, the higher the level of government that administers the transfer program, the more successful the program as measured by degree of implementation, uniformity among administrative jurisdictions, and adequacy of benefit. These are significant principles to remember when considering decentralization of AFDC.

In terms of AFDC program operation, several points are important. ADC was one of the three original assistance titles of the Social Security Act of 1935. However, children were not the focus of attention, Congress had little interest in the ADC program, and grant levels for children were far lower than those offered to the aged and the blind. Over one-half century later, these disparities have yet to be rectified.

As a portion of the federal budget, of all public cash transfers, or as a part of the gross national product, AFDC has never been a large program. Some positive changes have occurred.

Aid was first offered to the adult caregiver in 1950, to an unemployed parent in 1961, and to two parents in 1962; social services were added in 1967.

Most on AFDC are part of society's "underclass," at least temporarily, and life at the bottom can be quite unpleasant. Poverty disproportionately afflicts children, especially those in large, minority, female-headed households; there it is a virtual certainty. Benefit levels are low and have fallen drastically in recent years; eligibility requirements and benefits vary from state to state. Application procedures are difficult, tedious, and demeaning. As bad as it is, much can be said in support of AFDC.

In the first place, AFDC provides money to single-parent families for whom the risk of poverty is greatest and for whom little or no other income is available. About 3.8 million families, constituting 11 million needy people, receive benefits each month. AFDC has "undoubtedly contributed more than any other social program to the goal of enabling children at risk of placement to remain with their own families" (McGowan & Meezan, 1983, p. 69). It transfers billions of dollars in cash to those families most in need; it reduces poverty, and in some instances it eliminates poverty in those it assists; and recipients have a ready access to noncash benefits, most important, to medical care and food stamps. AFDC is a public program, and it is a national program; it has high target efficiency and results in vertical income redistribution; benefits can be adjusted to the needs of the recipient family, people can spend money as they choose; and eligibility is based on family composition and never linked to prior employment.

Blindness to these 12 characteristics greatly complicates efforts to reform or replace AFDC. For to be successful, any new income support program will have to include some of the income transfer policies and principles that are part of our existing system. Moreover, the inability to see what is good and what works in American social programs makes them constantly subject to attack and vulnerable to budget cutbacks. Policy makers and the public must learn to view all of their social institutions with some impartiality and balance, regardless of whether they favor the beneficiaries. Only then will we have the vision to transform

existing policies and programs into ones in which we will take pride.

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Notes

1. I wish to express my gratitude to the following people. The late Wilbur J. Cohen helped me to unravel the intent of early ADC legislation. Professors William C. Berleman and Robert D. Plotnick of the University of Washington and to Mr. Richard Wright of the Department of Social and Health Services provided valuable commentary. Ms. Lynn Clevell of Woodinville, WA, offered many helpful suggestions.
2. "Welfare" as used in this article means AFDC (and on occasion other means-tested programs); "AFDC" and "welfare" are terms inextricably linked in the public mind. This is a narrow usage of "welfare." For a comparison of the broad and narrow uses of the term, see Dear, 1982, pp. 25-26.
3. The 1909 white House Conference declared, "Children should not be deprived of ['home life'] . . . except for urgent and compelling reasons . . . No child should be deprived of his family by reason of poverty alone" (*Proceedings of the Conference*, 1909, p. 9).
4. One of the paradoxes of welfare history and a point almost forgotten is that there was bipartisan support of the public assistance titlers and even agreement that old-age assistance grants were too low. Of ADC, one member said, "Eighteen dollars a month for a mother with a young child is utterly insufficient to supply even the barest necessities of life" (*Congressional Record*, 79, 5553).

In fact, the Republican minority members of the Ways and Means Committee, who never ceased fighting the insurance titles of the Social Security Act, were unanimous in their support of the public assistance titles, agreeing that the benefits were too low. The minority report stated:

We favor such legislation as will encourage States already paying old-age pensions [assistance] to provide for more adequate benefits, and will encourage all other states to adopt old-age pension systems. However, we believe the amount provided in the bill to be inadequate and favor a substantial increase in the Federal Contribution. (H. Report 615, April 5, 1935, p. 42)

The Republican minority said essentially the same thing in regard to Title IV, ADC, Title V, Maternal and Child Welfare, and Title VI, Public health: "We would favor a stronger and more vigorous program than that provided in this proposed legislation . . ." (H. Report 615)

5. In addition to AFDC this includes Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). The latter three programs were combined in 1974 into the Supplemental Security Income program. It does not include state general assistance programs.
6. For a good refutation of these myths, see Barbara Leyser et al. (1985) and US DHHS 1986 *AFDC Recipient Characteristics Study*.
7. These figures are for March 1988, but the total number of people aided varies from month to month and is related to such factors as the state of the economy and level of unemployment. See *Quarterly Public Assistance Statistics, January-March 1988*, p. 12.
8. Social assistance includes AFDC, SSI, general assistance, and emergency assistance. Social insurance includes OASDI, railroad retirement, federal civil service, V.A. pensions, unemployment insurance, temporary disability benefits, and workers' compensation.
9. With the exception of Arizona, all states and jurisdictions participate in Medicaid (*Social Security Bulletin*, April 1987, p. 58).
10. Data are partly estimated and vary for each month. In September 1986, there were 1.3 million recipients of general assistance. Prior to 1983, recipients numbered less than one million. (See *Social Security Bulletin, Annual Statistical Supplement 1987*, p. 301; *Social Security Bulletin*, December 1988, p. 49.)
11. A progressive tax is one that levies an increasingly higher tax rate as income increases.
12. There are a few exceptions. Beneficiaries who receive fixed-rate "special age 72" payments (authorized in 1966) may receive small social security payments (\$139 in December 1985) without having been in covered employment if age 72 before 1968. Their numbers are small (32,000), and they constitute less than one-tenth of the one percent of all social security recipients. Others may receive benefits with very slight coverage. Of course, survivors and dependents with no work history receive benefits, but their eligibility is still contingent on that of a covered employee, *Social Security Bulletin*, A1 March 1986, pp. 35-36.

The Work Incentive Years in Current Perspective: What Have We Learned? Where Do We Go From Here?*

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A review of the rationale, results, and research findings from work-training efforts for welfare recipients is presented. Focus is on the Work Incentive (WIN) Program from its inception in 1968 to its heydays in the 1970s and its decline during the Reagan era. The review provides a basis for examining the recent welfare legislation and recongizing the elements needed for real welfare reform.

While the War on Poverty and The Great Society efforts captured headlines during the 1960s, there were other efforts afoot to help the poor. One of these was the Work Incentive (WIN) Program. It was charged with helping welfare recipients achieve economic independence through work. This paper examines the assumptions, activities, and results of the WIN Program. The task proves extremely useful because extensive, if unpublicized, efforts were made to achieve program goals and extensive research was carried out on these efforts. Reviewing the heydays of WIN from today's perspective permits a cogent analysis of the new welfare legislation.

The paper begins by placing the assumptions and operations of WIN within a pre-WIN context. There follows a review of WIN and related efforts from 1967 until the beginning of the Reagan Administration in 1981. The next section examines in more detail what was learned from the WIN experience, drawing upon research and evaluation studies. Brief examination of work-training for welfare recipients from 1981 to the present comes

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next, leading to a discussion of what is now known about training welfare recipients. The next section comments on current welfare reform, and the last section summarizes the general findings and conclusions of the paper.

WIN And Its Precursors

The first federally sponsored effort to help welfare recipients came in 1935 in the Social Security Act. The provisions for public welfare, unlike the major provisions of the Act, were aimed at supporting widowed mothers with small children, irrespective of their work history. The other provisions for Unemployment Insurance and Social Security were aimed at helping persons who had worked but had lost their jobs or had retired.

Over the years the work-related programs were readily accepted and expanded. The welfare program has been less favored. Its first serious review came after the Kennedy election of 1960. This review revealed that welfare recipients were no longer primarily mothers who had become widowed, but mothers who had never been married. Welfare was being given to mothers who had not had a relatively stable life in a traditional two-parent family, but seemed in some way to have created their own difficulties by having children out of wedlock.

The 1962 Public Welfare Amendments sanctioned efforts to provide counselling to welfare families in order that they might improve their social/psychological stability and lead out of the welfare syndrome. Also sanctioned were \$2 million in demonstration funds for Community Work and Training projects (CWT) to help recipients achieve training and work that would lead to economic independence.

In 1963 \$50 million were allocated to CWT projects. In 1964, President Johnson proposed and Sargent Shriver incorporated into Title V of the Economic Opportunity Act \$150 million for work-training programs that had much more liberal requirements as to residence and who was qualified to participate than the CWT projects. All these programs were based in the federal Department of Health, Education, and Welfare (HEW). They did not receive a great deal of attention in or out of Congress because they could not compare in glamor to the major "war on poverty" programs, e.g., Job Corps, VISTA, Community Action.

The important point is that the programs for welfare recipients were designed to get the recipients off the welfare rolls. While there was an intent to help people, the underlying reason for the programs was to lower welfare costs. The other programs in the Social Security Act of 1935 had a rather different rationale. Unemployment Insurance and Social Security were paid to persons who had "earned" their right to the payments. These were programs not designed to support people who had not paid their own way, but to provide more security for those who had paid their way in the past.

This difference in rationale helps account for the different attitudes and actions of policymakers regarding the two sets of programs. As evidence mounted on the ineffectiveness of CWT and Title V programs in lowering welfare rolls, members of Congress became dissatisfied. A paper summarizing the achievement of Title V showed that from 1964 to 1969 about 228,000 people had been in the program for an average of 7 months. About 35% of those found immediate employment upon leaving the program. But only 24% of all entrants to the program were known to be working 35 hours or more per week after 3 months. The average pay for the full-time workers was about \$1.80 per hour. These results were disappointing given that the number of welfare families had risen from one million to 1.7 million during that period.

Part of the blame for the lackluster results of Title V was attributed to the location of the program's administration in HEW and welfare departments around the country rather than in the Department of Labor (DOL) and employment services that were more familiar with job training and placement. Upon amending the Social Security Act in 1967 Congress established an even more elaborate work-training program called the Work Incentive (WIN) Program (Conference Report on Social Security Amendments of 1967). Major authority for developing guidelines was shifted from HEW to DOL. The delivery of services was now to be provided by local employment service agencies. The local welfare agencies were still to screen welfare recipients for eligibility for WIN and to provide child care.

Special counsellors and manpower specialists were to be provided by the local employment services to help WIN partic-

ipants obtain better training and make a better adaptation to the job market than occurred in earlier programs. Money was provided for some participants to go into on-the-job training or into public service employment. Day care funds also were available. Hence WIN brought together all the facilities offered in previous efforts, ranging from personal counselling to training for jobs. WIN went into operation toward the end of 1968.

Between August 1968 and April 1970 about 1.6 million welfare cases eligible for WIN participation were reviewed by local welfare departments across the country. These cases included father in the Aid to Families with Dependent Children-Unemployed Parent (AFDC-U) program as well as out-of-school teenagers receiving AFDC. However, the vast majority were AFDC mothers.

Only about 10% of the 1.6 million eligibles were considered suitable for enrollment in WIN. Of those terminated from WIN in 1970 only about 20% had held jobs for at least 3 months. Hence, during a period of 20 months when the welfare rolls rose about 40% to almost 8 million persons, WIN was successful in obtaining stable jobs for only 2% (20% of 10%) of the total eligible welfare population. The median wage for employed WIN mothers was approximately \$2 per hour, hardly sufficient to support adequately a family of four.

Out in the field, many WIN participants were being held in remedial education longer than anticipated. That is, the educational level of many applicants was so low as to require more educational time in order to bring them to a level where they might be trained for higher level jobs. This longer-term education and training markedly depressed the rate of job placement and failed to lower the welfare rolls.

The lack of success, in terms of lowering welfare rolls, was not lost upon Russell Long, powerful chairman of the Senate Finance Committee responsible for WIN legislation. He severely criticized DOL for failure to administer the program properly, failing to enforce the rules of removing from the welfare rolls those who refused to participate in WIN. Behind this concern of Senator Long's was the belief that welfare people might be lazy, not want to work, and so had to be strongly prodded into the training programs and jobs (Goodwin, 1975, pp. 83-90).

In December 1971, Senator Talmadge, also on the Finance

Committee, amended the WIN legislation to insure greater work force participation of welfare recipients (Public Law 92-223). Training of recipients was to be lowered in favor of immediate job placement in whatever jobs were available. There were to be more stringent penalties against welfare recipients who refused for no good cause to participate in the program. The amendments went into effect in July 1972.

Subsequent years showed a marked increase in WIN job placements. During fiscal year 1975 approximately 839,000 welfare recipients were deemed eligible for WIN. About 113,000 of these people obtained unsubsidized jobs for at least 90 days. Thus, a little more than 13% of the eligible group were placed. This was a substantial jump over the 2% of earlier years, but was not very significant compared to the 3.5 million adults who were on welfare at that time (U.S. Department of Labor, 1976, p. 3).

Additional modifications were made to WIN in 1975. The WIN sponsor, usually the state employment service, became responsible for WIN registration (rather than the welfare office). This was a further step to convert WIN almost wholly to a placement rather than a training program. On the other hand, training objectives were to be attained by having this agency coordinate WIN activities with such programs as those offered through the Comprehensive Employment and Training Act (CETA).

Effectiveness of WIN in lowering welfare rolls did not increase markedly. During 1981, for example, 1,156,000 persons were new registrants in WIN, and 310,000, or almost 27%, obtained employment for 30 days or more. However, there were a total of 3,800,000 welfare families at that time. Thus, jobs were found for less than 10% of heads of welfare households. Moreover, the average earnings of the welfare mothers was only \$3.70 per hour and for the fathers only \$5.01 per hour (U.S. Department of Labor, 1982, pp. 43, 45). That level of income is hardly suited to supporting a family of three or four at the poverty level. (If there were a two parent family and both parents worked, then there would be some possibility of leaving poverty and welfare.) These data underline the small impact of the WIN effort on the welfare rolls.

This thumbnail historical review of the WIN program, may

leave the impression that WIN has been just another bureaucratic effort of limited success. What makes WIN of special interest is that a proportion of its budget was legislated for research and evaluation, and that the federal WIN Office (in the Employment and Training Administration of the Department of Labor) was directed by Merwin Hans. He had a strong commitment to discover through social science research how WIN efforts could be improved. What follows is an outline of certain research efforts which illuminate the issue of training welfare recipients for work.

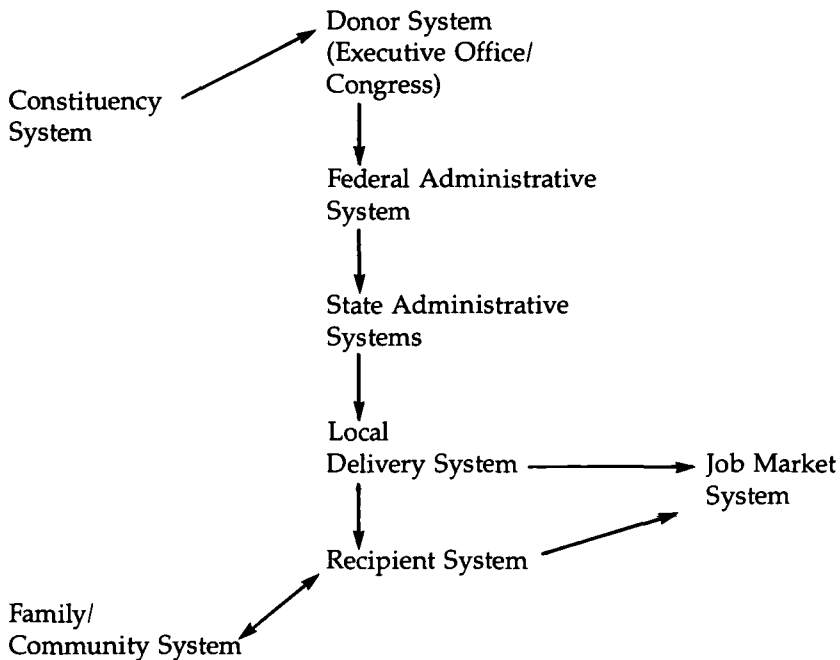
What Has Been Learned From WIN 1968–1981

In order to adequately understand the performance of WIN or any program, it is necessary to recognize the social systems that affect it and which it affects. Figure 1 shows the systems involved in the national effort. At the top is the Donor System, the Congress and Executive Office which mandate the operation of a national program, set the broad boundaries and purposes of operation. The legislation is handed to the Federal Administrative System, for example, the Department of Labor in order to establish specific guidelines for the operation of the program.

These federal guidelines go to the State Administrative Systems where the guidelines are related to state conditions and then are passed down to local Delivery Systems that actually deliver the services intended. The Recipient System consists of persons who use the services. There are three further systems of great importance. One of these is the Job Market, which determines what kinds of jobs are available for what wages. A second one is the Family/Community System which consists of the family members, friends and other social networks of Recipient System persons. The third system is the Constituencies of the Donor System, the voters and special interest groups that affect the continuation in office of donor system members.

What this Figure helps emphasize is the complex interplay of people and social systems that goes into the operation of any national program. The effectiveness of any program can be doomed from the beginning by failure of donor system members to recognize the realities in other important systems (which is a reason for holding public hearings on legislative proposals).

Figure 1. Systems affecting the WIN Program



In the case of WIN, there was strong suspicion on the part of certain powerful members of the donor system that members of the recipient system did not wish to work and get off welfare. Hence, one useful area of research could be determination of the attitudes of welfare recipients: did these recipients have the work ethic, did they prefer welfare to work? A related area could be determination of the employability characteristics of recipients, e.g., level of education, job experience, relative to job market demands.

A series of studies were commissioned by the WIN office to examine the characteristics of members of the recipient system and determine how these affected the goal of getting recipients into jobs and off welfare (Goodwin, 1977, pp. 5–11). Two of the studies involved large scale surveys of the attitudes and characteristics of welfare recipients in general, WIN participants in particular, and various middle class comparison groups (Goodwin, 1972, 1983).

Among the conclusions drawn from these several studies was that welfare recipients along with other Americans tended to have a strong work ethic, wanted to work, and when feasible did work. No study revealed a significant segment of the American population that preferred indolence to work. And no study was able to identify a group of persons with the same characteristics as welfare recipients but managing to get by without welfare. Substantial barriers were found in the way of welfare recipients' participating in the job market. These included lack of skills, poor health, need for child care, and lack of jobs at which they could earn enough to support their families above the poverty level (Goodwin, 1977, p. 2).

Several large scale studies were funded in order to determine which aspects of the WIN program, e.g., the orientation, educational component, work-training component, led to success in terms of job placement. These studies gathered data over time across many sites. There seemed to be higher rates of success among recipients who received some form of WIN service, rather than just placed directly in jobs (as encouraged by the Talmadge Amendments and the administrative changes of 1975).

Identification of just which services contributed to success was not clear, probably because of difficulties in taking account of differences in programs and job markets across diverse sites. These studies were precursors to a subsequent major, sophisticated effort at identifying factors that made some programs more successful than others.

Mitchell, Chadwin, and Nightingale (1980) gathered data from 43 WIN sites in 10 states. Through interviews with officials and reading documents they arrived at four basic aims or criteria of success for the WIN program. Their task, then, was to measure these criteria at the different sites and find the other variables that would explain them. The basic criteria (the dependent variables in their study) were: number of job entries per staff, average job entry wage, retention rate, average monthly welfare grant reduction.

The predictors of these outcome criteria were far ranging, and therein lies the importance of the study. The authors considered issues in the State Administrative System, the Delivery System, the Job Market, as well as certain background charac-

teristics of Recipients. They found for example, that the extent of local employment growth and presence of low wage industries in the Job Market System was significantly related to average entry level wage of WIN persons.

They found that bureaucratic-political activities at the state level did not affect performance at the local level. However, the more the State Administrative System emphasized training for staff, the greater the success of local programs. The more that local WIN offices (the Delivery System) dealt directly and openly with conflict within the unit, and the more flexibility within the unit combined with more accountability the greater the success of the offices.

At the level of the Recipient System, they found that institutional training was more effective with certain clients than others. Richer mixes of supportive services and more client-oriented job development went with greater success. By casting their research net broadly, these researches were able to illuminate the ways in which different social systems contributing to the WIN operation could improve their operation and achieve the stated goals. As useful as the study and the suggestions were, they were not able to revolutionize the effectiveness of WIN. There was no simple way to affect the job market system relative to recipient characteristics in order to move massive numbers of recipients into the work force.

The Washington WIN office under Merwin Hans not only supported research projects, but encouraged forms of action research involving members of the Delivery System in novel activities. Thus in 1972 Hans encouraged a proposal to test the giving of vouchers to WIN participants so that they could choose their own training programs. The idea was that welfare recipients would have greater commitment to and get more from a training program when they themselves could choose and pay for that program themselves (using the voucher).

The use of vouchers was tested by having the WIN office in Portland, Oregon administer them. Fears that the use of vouchers would result in totally impractical training purchases proved unfounded. However, the impact of vouchers on subsequent employment had mixed effects. The vouchers increased the employability of some WIN participants, relative to a comparison

group. For other participants, the voucher seemed to decrease their employability relative to a comparison group. The study highlighted the fact of individual differences among WIN participants (Goodwin & Milius, 1978, p. 21). It also highlighted the extreme difficulty of trying to develop research efforts with participation of the Delivery System members. Staff turnover in the local offices, changes in regulations, and differences in perception between staff members and researchers make any such effort difficult at best (Richardson & Sharp, 1974). Further use of vouchers on any kind of large scale was not pursued.

At the same time, Hans recognized that if a local WIN office became involved in research on a procedure it thought important, that procedure had a good chance of being adopted by the office and perhaps other offices across the country. With that in mind, and with a proposed research agenda which he had commissioned (Goodwin, 1976), Hans proceeded with establishing four local WIN offices as laboratories for testing the usefulness of new procedures suggested by the offices. The Manpower Development Research Corporation (MDRC) was designated as the agent to carry out the action research efforts, which began in 1977.

The site in Louisville tested the effectiveness of job search in increasing employment. The site in Denver tested the impact of working more closely with welfare recipients who volunteered to enter WIN. The St. Louis site worked at trying to establish a connection between WIN trainees and small business efforts. The combined sites at Madison and Racine, Wisconsin were to test the use of a monetarily enriched on-the-job training effort (Leiman, 1982).

The usual difficulties in attempting action research in a complex system were also encountered here, including the problem of WIN staff turnover (which made agreements about goals and procedures problematical when new staff arrived) and differences in viewpoints and interests between staff and researchers. Also, the imaginativeness of the projects presented by the operating offices was very limited.

Only the Louisville effort showed any positive gain in employment for WIN participants. That is, greater effort put into

job search increased employment. The idea of continuing the laboratory effort was not met with enthusiasm by any of the parties, and so it was not continued after 1981.

The importance of these lab efforts is not in the usability of the research results, but in the illumination of how research can or cannot be integrated into operating programs. Further illumination along this line was generated from a series of three ethnographic studies of WIN sites.

The idea of combining ethnographic, qualitative, research with quantitative research was in Goodwin's research program proposal (1976) that Hans commissioned. Unfortunately, personality conflicts developed between the leader of the ethnographic effort and the administrator of MDRC who was responsible for the effort (Vivelo, 1980). Nevertheless, this kind of effort again pioneered an important approach, and provided invaluable information for those concerned with understanding what actually happens in a service organization.

It was observed, for example, how a WIN team leader placed an illiterate mother in Unassigned Recipient status because the team's active caseload was high and unemployment was high. Later on, when caseloads decreased and jobs were plentiful the mother was sent to evening literacy classes and subsequently got a job as a presser in a manufacturing firm (Levy, 1981, 107–108). The decisions and actions of WIN staff seem reasonable, and highlight the real situational constraints under which WIN staff and welfare recipients operate in specific locales.

A different demonstration project, that was successful, introduced the "job club". WIN staff at experimental sites, in 1976, were trained to have WIN participants form support groups around job search activities. It was found that members of these "clubs" obtained more jobs than participants trying to get jobs on their own (Azrin, 1978). Use of the Job Club spread to other sites.

Many other efforts were made by the WIN Office in Washington to improve the training and job placement of welfare recipients. Giving tax credits to employers hiring welfare recipients was tried. Little success was observed (Goodwin, 1977). The Total Registration Involvement Project (TRIP) was initiated

in 1979. It emerged from the fact that WIN was funded at a relatively low level, \$385,000,000 at its peak in 1979 which allocated an average of \$259 to each person registered in WIN.

The TRIP project allocated more money to certain sites in order to see if this increased job placements (Hans, 1979). The General Accounting Office (GAO) in an overall evaluation of WIN noted that TRIP increased employment of WIN participants but that the cost of service also markedly increased (Comptroller General, 1982, p. 13). WIN's budget was on the downturn at the time of that report and nothing happened to extend project efforts after the demonstration was completed.

The GAO report presents results from a statistical analysis, using WIN data, which sought to determine the factors affecting WIN participants working their way off welfare. Their findings indicate that economic independence goes up as there are fewer children in the family, the WIN participant has more education, is married, has been on welfare fewer years, and is younger (Comptroller General, 1982, p. 54). These findings are reasonable in that a mother with several children who has little education, has no husband (who can help support the family or look after the family), has been dependent on welfare a while and out of the labor market, and is getting on in years will have severe difficulty in working her way off welfare.

These GAO findings are sharply limited by the fact that the investigators were using already collected data and could not ask questions of recipients about attitudes. When this was done in Goodwin's 1983 study of WIN participants, certain GAO findings were substantiated and new findings added. Goodwin found that length of time on welfare militated against economic independence, and that the greater the number of children in the family the longer the time on welfare. This is consistent with the GAO model.

Goodwin also found that previous job status, which is strongly related to level of education, positively predicts economic independence, as does having others in the family who are earning money, which is another way of indicating the presence of a marital partner who is working (Goodwin, 1983, pp. 50-51).

The further contribution of Goodwin's study was to show

that certain psychological orientations predict economic independence and others do not. More specifically, he found that recipients' attitudes toward work or welfare did *not* predict achievement of economic independence. The major psychological predictor was *expectation* of achieving such independence. This expectation in turn was influenced by whether one obtained employment or not—going up if one got a job and down if one failed to get a job.

Goodwin's findings in combination with the GAO's findings, and in the absence of contrary findings, suggest that people are on welfare because of inability to earn enough money in the job market to support their families at the poverty level. Moreover, they are not on welfare because they reject the work ethic or prefer welfare to work. Combining these findings and conclusions with the evidence reported above that extensive WIN efforts over the years have failed to make a dent in the national welfare rolls, suggests that there are structural, hard-to-change patterns in our society which lead millions of families on to the welfare rolls.

If the above analysis is valid, then, further efforts at work-training along the models already seen should be futile. If the above analysis is invalid, then, innovative work-training efforts should produce a dramatic decline in welfare rolls. The Reagan Administration proposed to demonstrate this dramatic decline by phasing out WIN and allocating money to the states to develop their own imaginative work-training efforts (Comptroller General, 1982, p. 61). These aims were included in the Omnibus Budget Reconciliation Act (OBRA) of 1981. At issue is what has been the results of training welfare recipients during the period from 1981–1987.

Work-Training Up To Date

The 1981 legislation made it possible for states to require welfare recipients to work for their welfare grants in a Community Work Experience Program (CWEP). States also could fund on-the-job-training by using the welfare grant as a wage subsidy with a private employer, or they could mount their own WIN Demonstration Program. Numbers of states took advantage of these opportunities. What happened?

The first fact to note is that the welfare rolls have not dramatically declined. In 1987, there were 3,788,000 families on public welfare as compared with 3,841,000 in 1981 (WIN Office, 1987). The further question is whether particular kinds of efforts made by certain states have shown remarkable results or reveal the possibility of achieving dramatic state or national changes in the welfare rolls?

This question can be answered by the work of MDRC which contracted with 11 states to evaluate their efforts. One of the more successful efforts was in San Diego. It involved mandatory participation of welfare recipients in a job-search workshop followed by individual job search, as well as up to 12 weeks work experience in public or private nonprofit agencies. After a period of 15 months persons who received these services were compared with persons who had been assigned to a control group without those services. One might expect some positive impact here since emphasis on job search had been shown to improve employability in the Louisville WIN Lab study in the "job club" study.

Results showed a significant difference between members of the control group and those who received services. The latter had statistically significant higher levels of employment and earnings, along with lower welfare payments. However, the absolute magnitude of these differences was small. Thus average total earnings over a period of 15 months was \$700 more for the group receiving services. Increased earnings of less than \$50 per month are unlikely to have a dramatic effect on the welfare rolls. The total average reduction in welfare payments over a period of 18 months was \$288. This level of decline does not indicate dramatic welfare savings (Gueron, 1987, pp. 16, 24).

Efforts in some other states showed no difference at all between those receiving services and those in the control group. This was true in West Virginia where the unemployment rate was so high that the possibility of welfare recipients obtaining a job was extremely low. One conclusion drawn from the study is that "although programs produced changes, the magnitude of those changes was relatively modest . . . Thus, while it is worthwhile to operate these programs, they will not move substantial numbers of people out of poverty" (Gueron, 1987, p. 29).

Those conclusions are remarkably similar to those reached

in an earlier MDRC experiment that involved supported work for welfare mothers. In that case, the mothers were placed in subsidized employment for a period of time with their subsequent earnings compared to earning of welfare mothers in a control group. While there was a significant difference in earnings, it only amounted to \$77 per month (Masters & Maynard, 1981, p. 108).

All the findings presented suggest that the WIN experience from 1968–1981 has been reproduced during 1981–1987. Some efforts are better able than others to help welfare recipients achieve economic independence, but these efforts are not able to make any significant impact on the welfare rolls.

Improvement in job markets can have a positive impact on welfare rolls. This is not a panacea, however. The State of Massachusetts is a case in point. In 1974 there were 330,000 persons on public welfare when the unemployment rate was 7.2% (Statistical Abstracts of the United States: 1976, p. 362). In 1987, with the unemployment rate around 3%, there were still 233,000 persons on public welfare. The overall national number of welfare recipients was about 11,000,000 at both times (WIN Office, 1987). The Massachusetts welfare rolls have been substantially depleted but are by no means negligible. This in spite of the fact that Massachusetts has heavily invested in training for welfare recipients (Nightingale, 1987, p. 112).

An unexpected problem arises when the economy is good and unemployment is low. The cost of housing rises. In the city of Worcester, for example, where this author resides, the cost of housing has doubled and tripled in the past few years. Welfare grants have not nearly kept pace (O'Hare, 1987, p. 30). Those on welfare today are less able to find adequate housing, or any housing, than they were earlier.

The welfare phenomenon does not stem from one cause that can be remedied in a quick and simple way. Welfare rolls will not totally disappear when services are put in place or when the unemployment rate dips. Low level of skills, chronic illness, negative experiences in the educational and job market systems as well as in housing and living situations that promote family disruption and psychological discouragement cannot be easily overcome.

Effectiveness of any welfare reform depends in large part

upon the amount of resources allocated to the efforts prescribed and the understanding of powerful members of the Donor and Constituency Systems about the goals of a welfare program. If these goals center around a cost-benefit lowering of welfare spending in the next year or two, the legislation will tend to be punitive and seriously underfunded as was the WIN Program.

If goals center around the long-term development of human resources the program will be adequately funded and aimed at helping disadvantaged people make use of opportunities for achieving economic independence. It is necessary for the federal government to provide substantial resources here, since, as Nightingale (1987, p. 113) has indicated, many of the States are not able to support extensive work-training efforts. How does the 1988 welfare reform measure up to these issues?

Welfare Reform 1988

In December, 1987 the House of Representatives passed a surprisingly farsighted Family Welfare Reform Act, H.R. 1720. It included virtually all the services that have been tried in the past: remedial education and education for the high school equivalency certificate; job search; skill training and on-the-job training; community work experience training; counselling for personal and family problems; job development; supportive services such as child care and Medicaid even after leaving welfare (Family Welfare Reform Act of 1987, pp. 41–43).

The efforts were to be funded for a period of five years at a total of more than \$7 billion. The bill also gave strong emphasis to systematic evaluation of program efforts through an inter-agency panel, an outside advisory board, and \$20 million in funding (Family Welfare Reform Act of 1987, pp. 125–126).

A very shortsighted welfare reform bill, S. 1511 was introduced in the Senate. The two versions went to a joint House-Senate Conference Committee in the Spring, 1988. At the end of September, 1988 the Conference Report emerged and then became law (PL 100–998). The imaginative portions of the House bill, including the adequate funding, had been scuttled. About \$3.34 billion was to be provided over a period of five years. As Rep. Major Owens (NY) pointed out in the House debate, "According to CBO (Congressional Budget Office) in real dollars,

this bill will provide about half of what we spent on the WIN Job Training Program for welfare recipients during the 1970s" (1988). If WIN was unsuccessful in lowering the welfare rolls, spending less on training cannot reasonably be expected to provide better results.

The negative attitude of the compromise bill toward developing the human potential of welfare recipients is illustrated in Rep. Augustus Hawkins' (CA) remark about the weakening of the House provision for postsecondary education counting as job preparation: "Obviously, most welfare recipients are not ready for college, but the opportunity should never be foreclosed to those who have the motivation and capability" (1988). The final legislation is not looking toward long-term development of human resources, but rather to short-term saving of money. There will not of course be real saving as more parents and their children are unable to gain the skills to move out of poverty and welfare.

Also lost in the compromise bill was the imaginative approach to research and evaluation. These endeavors are now placed in traditional fashion solely under the discretion of the Secretary of Health and Human Services, who is responsible for the entire welfare effort. It is possible that even under these conditions the research efforts pioneered by the WIN Program could be expanded.

A picture could be presented of what is happening in the different social systems involved in the welfare effort (see Figure 1). A broad evaluation study could be undertaken of work-training in different locales, considering administrative arrangements and socio-environmental factors such as employment requirements of local industries following the lead of Mitchell, Chadwin, and Nightingale (1980). Such a study could be enhanced by ethnographic accounts at the same sites of how welfare participants made use of the services and training in the context of their family/community systems.

Overall results would not only reveal the general impact of work-training on job placement of welfare recipients, but would provide detailed information on the kinds of events in local offices and in the lives of welfare recipients that promoted or hindered job efforts. This information could be used by members of

the administrative and delivery systems to improve the program and to members of Congress for possible changes in legislative mandate or level of funding.

A legislative and administrative history of the overall program could be carried forward. This material would help members of all systems, especially those who were new to the scene, to understand the assumptions guiding different aspects of the program and the views held by members of different systems. In short, an integrated set of ongoing research studies that cut across traditional academic and methodological boundaries could facilitate the functioning of a national effort to help welfare recipients achieve economic independence. It also could point up the shortcomings of current efforts.

Summary and Conclusions

Welfare policies and programs have changed since their inception. In 1935 the emphasis was on providing support for widows to stay at home and look after their children. In the 1960s, as welfare rolls increased, emphasis shifted to providing counselling and work-training for unwed mothers so that they could obtain employment and leave welfare.

The WIN Program in its initial phase of 1968–71 emphasized education and training. This resulted in relatively few job placements because the participants required such extensive efforts in those regards. Pressure built up for more job placements in order to lower the welfare rolls and welfare costs. The emphasis for immediate job placement increased from 1972–81, but even so the welfare rolls remained at around 11,000,000 persons.

If the WIN Program did not resolve the welfare problem, by 1981 it had undertaken a wide variety of activities aimed at that goal, including establishment of WIN Laboratories, demonstration projects such as job clubs, and research into such matters as the attitudes of welfare recipients and the administrative and socio-environmental context of WIN offices. Overall results indicated that the welfare problem could not be blamed on recipients having deviant goals or values—the latter were much like those of other Americans. Nor could the problem be attributed to lack of trying various kinds of work-training efforts, or administrative difficulties.

Work-training efforts were continued under a more varied format with the 1981 legislation, giving States a larger role in determining the activities to be undertaken. Research carried out on those activities yield essentially the same results as from WIN: work-training is useful, but in itself will not deplete the welfare rolls.

The welfare rolls continue at around 11,000,000 persons—over 3.5 million families of whom about 95% are headed by mothers—because of structural, hard-to-change patterns in our society. These patterns involve the educational system, organization of the job market, housing and living situations, and factors promoting family disruption. These social structural difficulties that encourage failure in the job market do have psychological consequences, lowering the expectations of ever succeeding. This in turn lowers effort. Thus there is an interplay between experience and psychological orientations that affect behavior.

A program that has any hope of lowering welfare rolls must have a long-range perspective. It must be aimed not merely at immediate job placement but at helping compensate for social patterns that have led to inequities in personal background and experiences. Of particular importance is helping poor fathers (who are not on welfare) to obtain employment so that there is greater chance of their staying with and supporting their families.

The new welfare law does not move beyond the thinking or experience of the WIN Program. There are some positive elements, such as, extension of child care and Medicaid beyond the welfare period and stronger provision for obtaining family support from absent fathers. However, the centerpiece of the effort, the work-training aspect, is so woefully underfunded as to provide even worse results than the WIN Program it replaces. No provision is made for upgrading welfare payments that have fallen farther and farther below the poverty level.

There is some encouragement in the fact that the House of Representatives was able to pass a welfare reform bill that contained the seeds of a new evolutionary phase in welfare programs. Those seeds may come to fruition at a later time when we finally recognize that helping the poor is helping to expand not deplete resources of our nation.

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Work and Welfare: How Industrialists Shaped Government Social Service During the Progressive Era

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This article focuses on the welfare work of industrialists which was developed as a mechanism for fighting trade unionism during the Progressive era. This focus is designed to place welfare in its proper perspective within the political economy and to identify its political and economic functions. The article concludes that industrial welfare was one of the instruments used in creating a work ethic in the United States and one of the mechanisms of social engineering both in and outside of industry.

The inability to develop a rational social welfare policy in the United States and the confused public perception of welfare is a result of deliberate distortion of market realities. Welfare is seen as an isolated government action; as something done by government for a few nonworkers who can't help themselves. The key description is nonworker. Somehow a dichotomy has been forged between those who work and those who receive welfare. The legacy of welfare is in fact quite different. It indicates to us that welfare measures are an outgrowth of the work environment. In fact welfare was designed to aid in controlling the work process. The separation of work and welfare serves a very useful ideological function by completely obscuring the actual function of social welfare. Welfare must be understood as part of the political economy of this country. According to Piven and Cloward, in their major work on welfare, *Regulating the Poor*:

Relief arrangements are ancillary to economic arrangements. Their chief function is to regulate labor, and they do that in two general ways. First, when mass unemployment leads to outbreaks of tur-

moil, relief programs are ordinarily initiated or expanded to absorb and control enough of the unemployed to restore order; then, as turbulence subsides, the relief system contracts, expelling those who are needed to populate the labor market. (1971, p. 3)

The expansion and contraction of public welfare must be seen as a political phenomenon, one which helps to regulate labor. This regulation comes not only in terms of the number of people in the workforce but also their attitudes and behavior. Indeed the very initiation of welfare measures can only be understood within the context of work culture in the U.S. Much like today, early welfare measures were used to reward or threaten workers.

This article looks at one of the early examples of social welfare, industrial welfare. The objective is to identify this form of welfare as one of the regulatory tools used by industrialists to control labor. Industrial welfare was seen as necessary during the Progressive era to help prevent the spread of trade unionism. More important for contemporary reflection is the way in which industrialists passed on the responsibility and expense of these "welfare" services to government, thereby formalizing the separation of work and welfare. Government still bears the brunt of responsibility for the casualties of labor (unemployment, disability etc.) while the source of the problem, industry, remains hidden from view and absolved of responsibility. The historical record which points out the transferal of welfare services from industry to government helps us to understand how the separation of work and welfare has been shaped in the consciousness of the average American.

Industrial Welfare and the Process of Reproduction

The cultural styles and habits of workers posed the most serious threat to industry at the turn of the century. While industrialists could not hope to shatter or dissolve these traditions overnight, they did have to address seriously the whole range of culture, continually trying to adapt the old to their own purposes or attempting to produce new patterns. The disruptive effect of culture on the industrialization process sparked an urgency among industrialists to insure loyalty and order within their enterprises. The crude, casual, and personal ways of treating employees in the plant were therefore coupled with the om-

nipotence of the foreman. But while such informality in factory life may have had its advantages for workers and owners alike, decisions were still arbitrary and the tug of war between workers and management over control of the work process resulted in anarchy as Gerb Korman illustrates in this passage:

For many years most Milwaukee firms kept only meager employment records. This was true even of the E. P. Allis Company which by the mid-1880s was already employing hundreds of workers. Foremen and timekeepers simply noted the number of hours worked, rates of wages, and prices for piecework, often keeping no formal records at all. Indeed, the company made no effort to pay by check during its early years preferring to refer to its Polish workers as 'Mike 1,' 'Mike 2,' or 'Mike 3.' This seemed much easier than trying to master Polish names.

. . . According to J.M.J. Keogh of E. P. Allis: 'When I was timekeeper (in the 1880s) the workmen were given no work tickets. They obtained the number of the casting or forging verbally from the foreman and gave their job to the timekeeper who posted it on a sheet which covered the entire labor cost on the order. . . . There were no time clocks and no production boards to assist the foremen in knowing the next job to give the workers. The result being that the foreman would let his men run out of work and then would have to call at the foreman's desk or trail him around the shop to see what the next job would be.' Highly skilled pieceworkers haggled with foremen over prices for particular jobs, partly in their own interests, but also because foremen, not the company, paid the helpers. (1967, p. 64)

Order, prior to the turn of the century, was impossible in industry unless employers allowed ethnic connections to govern employment practices. They could not ignore human relations even if they wanted to. The result was the unsystematic involvement of companies in the personal lives of workers. For example, land and money were donated to churches by industrialists but this was done in an effort to curb alcohol consumption. Thus church deeds stipulated and/or prohibited the sale of liquor on the properties. Banquets, company outings, and other celebrations were held. Some employers contributed to workers' benevolent aid societies which helped to pay medical and funeral expenses for injured or killed employees, while other employers

handled such issues on an individual basis. Stuart Brandes in his study of these so-called "welfare" practices of employers describes how they were designed to give industrialists a foothold into cultural habits of the employees.

Some companies made it possible for employees to keep cows or chickens, and one maintained a company bird sanctuary. Company gardens were very popular with many employers, and floral displays (perhaps picked from a company greenhouse) graced many factories and houses, recalling misty memories of an agricultural past. Urban living required more attention to grooming than had farm life, and company manicurists cleaned fingernails while company shoe polishers blackened boots. In case employees ran afoul of the many regulations established by community living, free legal advice was sometimes available.

. . . Since one of the most important social problems was the acculturation of young persons to the industrial society, by 1900 various American firms operated every form of school short of a college or university. . . .

. . . Even the most basic problems of food and shelter often aroused the attention of American executives. Many employees dined at company restaurants. Company stores proliferated, and many companies provided milk for their employees from a company dairy . . . (1976, p. 4)

Philanthropic though these activities may seem, the employers through such actions were able for a while to avoid formal responsibilities towards their workers, such as workmen's compensation and other employee benefits. Later, many of these functions would be conveniently turned over to local government.

Despite industry's social policies, or maybe because of them the independent political action of workers continued, both organized and unorganized. We can only guess at the number of factories which closed because of workers social obstinacy. However, between 1880 and 1900 nearly 23,000 strikes affected more than 117,000 business establishments in the United States, an average of three new strikes a day for 20 years (Brandes, 1976). These actions often brought state, federal, and local government into the picture as either mediator or supplier of troops for repression. However, the employer had to find new and/or improved ways of control for stability. The casual, unsystematic

managerial response to decision-making and control was doomed; a more rational means of organization was necessary.

Writers don't agree entirely on the content of the new "rationalization" method. Some, like Korman, combine welfare programs, scientific management, industrial betterment, and social engineering and see in them the concerted thrust to bring order to production. Other writers like Daniel Nelson see welfare work and the scientific management of Taylor as differing and competing managerial philosophies. But, if we look at the intentions and motivations which all of these new managerial techniques and philosophies professed and the definitions given them, we see that Taylorism and welfare work had common goals and a parallel course of development. The definitions reproduced by Nelson are instructive:

Taylorism was an outgrowth of the 'works management' movement and the pioneering work of Frederick W. Taylor at the Midvale and Bethlehem Steel Companies in the 1880s and 1890s. Its basic premise was that 'human activity could be measured, analyzed, and controlled by techniques analogous to those that had proved successful when applied to physical objects.' In practical terms it combined a variety of new and old ideas, the most notable of which were time study and the incentive wage. . . . [But] Taylor's system demanded a thorough reorganization of the shop, new roles for managers and workers alike and most ominously, a 'mental revolution.' (1972, p. 1)

Alongside "Taylorism" stood industrial welfare work. Because of its political function it has a much less precise definition than Taylorism, although it seemed to be embraced more widely by industry. The National Civic Federation, an organization of America's biggest businessmen, was the strongest supporter of industrial welfare. They wrote:

. . . welfare work involves special consideration for physical comfort wherever labor is performed; opportunities for recreation; educational advantages; and the providing of suitable sanitary homes . . . plans for saving and lending money and provisions or insurance and pensions. (NCF, 1904)

All of the examples of industrial welfare owe their origins to a common source in the National Civic Federation. Business and

industry asserted their new organizational fervor and class consciousness in establishing the NCF in 1900, where they undertook collectively the task of exercising control of public opinion. Smaller and middle range businessmen, manufacturers and merchants, who were tied exclusively to the domestic market and who were therefore more vulnerable to labor and financial fluctuation, maintained very parochial and narrow interests. They acted as individual entities and not as part of an ownership "class" in their opposition to unions, their avoidance of national interests, and their opposition to the big corporations. The NCF too opposed unions, radicals, and Socialists, but they considered the National Association of Manufacturers (NAM), dominated by small business, the "anarchists" among businessmen, to which they were opposed (Weinstein, 1968).

Even though the NCF was an exclusive business club with the responsibility of "educating businessmen to the changing nature of America's business system," they nevertheless maintained a "tripartite" membership with "labor" and "the public" as well. We therefore find among its members names such as Grover Cleveland, William Taft, Samuel Gompers, and John Mitchell along side the long list of industrialists and financiers such as Belmont, Hanna, Carnegie, and Morgan. The NCF set the tone of the age and professed an ideology which denied class interest, substituting in its place "conciliation" and "reform" based on "cooperation." Ironically, it was the class interest and consciousness of the industrialists that allowed them to take on functions of "public officials." They realized all too well the limitations of individual company action in attempting to establish control. Therefore businessmen actively reshaped their own image and that of the corporations to win the loyalty of workers. This included the assumption of many social responsibilities which today we associate with government.

In the early history of NCF, 1900 to 1905, its main function was that of mediating labor disputes. It was therefore the forerunner of the government's Commission on Industrial Relations (1913-1915). While NCF rejected trade unionism as an independent movement, it willingly developed a Trade Agreements Department under the joint chairmanship of Francis Robbins of the Pittsburg Coal Company and John Mitchell of the United

Mine Workers, to establish some mechanism of agreement between members of the organizations. Trade unions were viewed as a "bulwark" against the great wave of socialism. Where trade unionism did not stabilize factory relations or where they were rejected by owners, the NCF suggested welfare measures.

Any uniformity in welfare measures owed a debt to the general policy of the NCF which its member industries followed. The Welfare Department of the NCF was established in 1904. The general approach of the Department was to promote "sympathy and a sense of identification between the employer and his employees" by integrating the lives and leisure time of workers with the functioning of the corporation (Weinstein, 1968). However, as James Weinstein clearly explains, part of the process of integrating the lives of the workers with that of the corporation involved the assumption by corporations of many functions which today we see as government's responsibility. Early welfare concerns included, technical education for workers, kindergarten for their children, low cost housing, recreation facilities, some aspects of public health programs, saving and lending money, insurance and pensions. Such paternalistic labor relations it was felt would undermine union strength, though this was not always the result. But the NCF was somewhat successful in individualizing workers' political action and they maintained their own class-based hegemony. Industry must be credited with providing the initial impetus for the use of social services in the structuring of political relations. If industry relinquished much of its "social responsibility," it was because it was able to pass on the responsibility to government while retaining the benefits. Additionally, the conditions which created the need for certain types of welfare also facilitated their demise. In industry, medical plans, pension plans, factory environment and employee representation replaced the old emphasis on education, recreation, and religion for workers.

While welfare work was not pervasive throughout industry, it allowed the industrialists to address pragmatic concerns in the garb of philanthropy and paternalism. Like Taylorism it was a response to the specific pressures of labor turmoil. While Taylor very openly announced the very ambitious promises of scientific management—greater output, lower costs, higher wages and la-

bor-management harmony—welfare work programs camouflaged similar intentions of reduced production costs and increased profits. However, some employers were quite proud to announce of welfare work that: “. . . [it] decreases the floating element and secures a stable work force, promotes harmonious relations and worker loyalty, combats unionism and insures against strikes” (Cardullo, 1915, p. 197).

In the final analysis the employer would choose those techniques which were least expensive economically and emotionally. Often welfare work was less demanding of owners and managers because, unlike Taylorism, it allowed them to retain their traditional paternalistic roles and defend themselves against trade unions under the guise of “social responsibility.” Welfare work helped to transform the corporation itself from solely an economic institution into the basic social unity of American society (Scheinberg, 1966). Some historians have recognized the intent of these reform measures and have placed them in their proper perspective within the whole web of bureaucratization which was occurring in the United States at the turn of the century. It is important, therefore, that we see scientific management and welfare work as opposite sides of the same coin. They were not simply the result of diligent engineers like Taylor and social workers like Gertrude Beeks of International Harvester. The pressures of workers’ uncontrolled habits brought about the necessary emergence of what Brandes calls a tripartite system involving labor, government, and big business (Brandes, 1976). Mark Hanna, industrialist and President of the National Civic Federation, became adviser to President McKinley, which gave national recognition to welfare work. John Commons, in his efforts to study ways to involve government in employment conditions, brought notoriety to scientific management in 1910 in the *Easter Rate Case*, and in 1909 the federal government utilized features of Taylorism at the Watertown arsenal. Thus welfare measures and scientific management became means for entrenchment of business hegemony and fulfillment of the corporate state. Both were means of “indoctrinating workers into accepting corporations as the central institutions of modern American life. Part of the process of integrating the lives of workers with that of the corporation involved the assumption

by corporations of many functions now seen as government responsibilities" (Brandes, 1976, p. 8).

Ironically, because welfare work was based on sentiment rather than "science," its rationale always served to underscore the dehumanizing consequences of industrial work which industrialists were attempting to deny. Hence, welfare begins by calling attention to precisely that which industrialists proposed to obscure.

Industrial Welfare and Skilled Workers

In industries which attempted to institute scientific management and industrial welfare, the reactions of employees serve to explain further some of their differences. The old forms of management were not only predicated on paternalism which revolved around the whim and good graces of owners and foremen, but also on the loyalty and efficiency of workers, particularly skilled workers. These workers became the primary targets of industrial welfare schemes. They asserted a great deal of autonomy over work procedures. However, once industries began to expand and to consolidate, this dependence on skilled labor became intolerable because it threatened the control of owners. Skill eventually fell victim to systematization through the mechanism of scientific management (e.g., the introduction of the assembly line, a new division of labor, new tools, new work methods, etc.).

In many cases where scientific management was incorporated in a plant, welfare work might also be adopted. Employers sought to retain some of the personalism of old managerial systems in an effort to maintain workers' loyalty and welfare schemes allowed this. These measures would be instituted as often inside the factory as outside. Inside, employers, like Pullman in Illinois, might construct modern ventilation systems, lunchrooms, and restrooms, and hire company doctors for workers, while their industrial welfare measures outside the workplace most often consisted of libraries, restaurants, club houses, recreational facilities, dancing classes, schools, housing projects, company bands, Sunday school, and cooking lessons. Modern systematic welfare programs of the period institutionalized these practices not only by coordinating them nationally

and regionally, as the NCF attempted to do, but these measures were professionalized under the direction of experts hired by the companies and operating out of newly established industry departments. The professionalization of industrial sociology, industrial psychology as well as social work began in these departments.

When industries provided savings and loan associations, accident insurance plans, and pensions for the elderly, they were normally directed to skilled workers. While the reorganization of industry facilitated by scientific management may have antagonized skilled workers by upgrading the "unskilled" and transferring skilled knowledge to management, welfare measures served as a reward system (carrot and the stick); a way of encouraging worker retention and a way to salvage worker loyalty. Industry was constantly fearful that antagonizing workers might force them into the arms of organized labor. Welfare measures were designed to prevent this while at the same time creating a new dependence among workers. David Brody identifies this in his study of steelworkers: "Through promotions, housing, bonuses, pensions, and steady work, corps of company retainers were developed. The skilled workmen entered an orbit of dependence, induced to accept without dispute the terms of employment set by the steel companies" (Brody, 1960, p. 90).

I don't mean to imply that employers were too generous with their welfare measures. Workers paid for industrial welfare as citizens pay for government welfare. For accident insurance, workmen contributed a specified amount deducted from their wages and employers never contributed more than a third of the total costs (Brody, 1960). Additionally, employers were able to escape the legal responsibility for industrial accidents through the use of "common law" defenses: the fellow servant doctrine, the assumption of risk, and contributory negligence. When worker demands for compensation intensified in such a way that industries could no longer avoid their legal responsibility they called on government for support. Either the government would provide for workers' coverage or regulate the limits of coverage through the courts. By 1912, after several years of investigation, a Congressional Commission finally established a compromise between labor and capital. Weinstein, in his excellent analysis

of the transfer of these social functions to government during the Progressive era points out the supportive role of government when the social welfare expenses of industry were overtaxed. For example, in the case of accident insurance companies were able to depend on government to set "limits" on compensation while ensuring deregulation.

The competition between industrial welfare work and trade unions for workers' loyalty is further indicated by the historical presence of programs which rose and fell concurrently with unionism. The spirit in welfare programs during the 1920s was in part a response to the gains made by organized labor during World War I. Welfare work created "mediating structures," which in some instances came to fulfill some of the function of the family as well (Brandes, 1976). Regardless of the reaction of workers to these programs, government and industry imposed themselves on the daily lives of individuals without request. Eventually, government would come to dominate the area of "welfare" services, particularly housing, health, and recreation as their expense increased for industry.

It is not my intention to prove or imply that any particular group of workers, women, immigrants, skilled or unskilled, was more responsive to social welfare than another. To do so would only duplicate previous errors in analysis which persist in associating this acceptance with the lack of political consciousness. Welfarism has left its impact on all workers. Today those persons outside of the industrial environment are the most obvious targets of welfarism, but it permeates all our lives, those who work and those who do not. Ironically, at the turn of the century, the only judgement which seems fair, given the contradictory evidence, is that workers in the industrial sector were the primary targets of welfare, while variations in program application were influenced by geographic considerations.

According to Brandes, welfare work was also one of the techniques used by government in its attempts to stimulate production. However, industrial welfare waxed in times of prosperity and waned in depression (Brandes, 1976), expanding when business profits were up and industry anticipated worker demands for greater compensation, welfarism was a way to head them off. But this cycle was reversed for government (Piven & Cloward,

1971) precisely because government was concerned with mobilizing the economy and the task was more important in bad times than good. Therefore, during World War I the Wilson Administration formed

. . . government bodies to supervise critical goods and services as food, fuel, railroads, shipping, and housing. Two of these, the United States Shipping Board and the United States Housing Corporation, encouraged welfarism in industrial housing. The Housing Corporation was created by the War Department to build homes for workers. It included a town planning division, chaired by famed city planner Fredrick Law Olmsted, which planned numerous housing projects near arsenals, munitions factories, and shipyards. Several developments qualified as full-scale model towns designed to give pleasant accommodations at mass productions prices. The Housing Corporation spent a total of \$194 million to house about six thousand families. In effect, the United States government constructed a whole series of "company" towns during World War I. (Brandes, 1976, p. 4)

These developments show clearly government's assumption of the responsibility of industrial welfarism and this would clearly affect the cognitive referents or symbols given to the working class.

Meanwhile, self-help institutions suffered attack and obliteration at the hands of the new social welfare functions of government. The family, home, neighborhood, community, places of leisure, taverns, stores, meeting halls, churches, stoops, and alleys, all of which had been shaped by occupational groupings at an earlier period of capitalist development, lost their place within the pattern of labor and leisure. The conditions of work, long hours and poor wages, seriously affected patterns of relations among "unskilled immigrants" as well. While the urban political Machine did lend some legitimacy to the urban ethnic ghettos. Even with the demise of the "Machine," ethnic culture and ritual still remain a source of strength for immigrants in resisting the exploitation of work. However, as industry and government introduced social services into communities, institutions arose which would undermine the functions of the "old" cultural patterns. To prevent home from being, as some workers commented, "just the place where I eat and sleep," (Alt, 1976)

it had to be recreated as a social center. A cynic might argue that the conditions of poverty and overcrowding therefore came to serve as a positive function for the poor who were forced to live together to survive. This description of workers housing from a study of the Homestead mill community presents a picture of cultural habits which give positive meaning to the otherwise negative condition of poverty:

The Slavic workers, plus their families, relatives and intirant boarders, lived together in large numbers and in very close quarters, usually in tenement houses which would often face and share a common courtyard. It is in the extended home that the primary social bonds of mutuality are first reproduced as they originate out of the conditions of exploitative industrial employment. The extended home and ecological character of the early tenements fostered extensive social interaction among its members. For one, the homes which occupied a common courtyard used a common water source and shared one toilet facility. During mild weather, the courtyard was typically a focus for discussions between men on shop-floor political and cultural topics, and was a place for playing cards, singing, and dancing. The house itself was a major center for social life: "In the evening a group often gathers around the stove gossiping of home days, playing cards, drinking, and playing simple musical instruments. On the Saturday after pay day the household usually clubs together to buy a case of beer which it drinks at home." The home was also the scene of larger festivities during the events of birth, marriage, and death. These gatherings always drew workmates, relatives, old friends, and new neighbors together where "joy and grief and religious ceremony are alike forgotten in a riotous good time." (Alt, 1976, p. 63)

However, deteriorating living conditions always demanded that the poor plan on leaving rather than remaining in such quarters. Therefore, either returning to Europe or geographic relocation in the United States remained an objective. Transiency and geographic mobility became the greatest threat to working class community life.

Scientific management and industrial welfare combined to undermine the function of occupational communities as the most significant peer group. The extended family, the local tavern, and other working class community centers lost their earlier meaning. This is not to say that individualization completely

replaced group activity among workers, but it is pointed out here to make reference to social changes taking place for workers and the new conceptions of life which may have emerged.

Contemporary studies of industrial welfare and its consequences in working class communities, however, do argue that individualism and consumerism came to completely dominate working class life and leisure. Leisure, more and more, became associated with a reaction against work thereby helping to solidify the separation of work from social conscience.

Even though studies show workers maintained a low evaluation of welfare work (Houser, 1927), there is no question that it left an impact. The Progressive era opened up a whole new role for institutions in the social life of individuals. The assumption that workers could not provide certain necessities nor amenities for themselves and/or families, obviously had social and psychological consequences. When workers accepted such services, they implicitly exposed a weakness (Brandes, 1976).

Immigrants were fast coming to view themselves not as temporary workers, but as permanent residents in the new industrial order. If the attitude toward work had changed by 1921, social engineering techniques were largely responsible. There is no question that these techniques were aimed at the control of labor. But the long term consequences for political consciousness seem to have been more successful than the short term control of behavior. Strikes did decline somewhat at Taylorized plants and those with welfare programs, but they did not disappear. The promise of social harmony had not been achieved. Therefore, industry would have to turn to both government and the craft unions to aid its process of social control.

Even though organized labor came to oppose both industrial welfarism and scientific management, it is important to note that its leadership was actually a part of the National Civic Federation which brought "welfarism" and employee/employer cooperation to national attention. John Mitchell and Samuel Gompers were both members of the NCF and both applauded the initial creation of the NCF's Welfare Department. Therefore, while industrialists had as their expressed intent the elimination of unionism, union officials embraced their goals of "propagating an improved American working man: thrifty, clean, tem-

perate, intelligent, and especially, industrious and loyal" (Brandes, 1976, p. 33). Since most industrial welfare measures seemed beneficial to skilled workers who constituted the membership of the unions at that time, the labor leaders can be seen as participating in that which ultimately undermined their legitimacy. The AFL not only actively sought to cooperate with owners and management on particular issues at the national level but came, as Dubofsky describes, to "ape their corporate cousins." The labor leaders reorganized their associations in the image of Progressive reform "in which the rank and file obediently followed the commands of bureaucratically inclined well-paid officials" (Dubofsky, 1975, p. 84). The organizational reforms of the unions, like those in industry and government, transformed both the nature and process of decision-making, authority, and participation. They emphasized appointed rather than elected to insure loyalty. Administrative techniques became more important than oratory and charisma. Like government, the union, too, sought to take politics out of their "business." While shunning scientific management, the unions adopted a prostandardization posture in their defense of formal work rules and procedures. They also emphasized their contractual relationship with industry.

It was organized labor's antiimmigrant, antiunskilled policies and attitudes which would ultimately be their demise. Not only did they exclude the unskilled from their locals, but immigrants were chided for their "alien and inferior character." As for Black migrants to the industrial cities, the AFL exclaimed: "Hordes of ignorant blacks, possessing but few of those attributes we have learned to revere and love, huge strapping fellows, ignorant and vicious, whose predominating trait was animalism" (Dubofsky, 1975, p. 84). In an effort to defend their own craft exclusiveness, the AFL even opposed government efforts to mandate maximum hours and minimum wages for adult men and provide unemployment insurance and social security.

With everything eliminated from their domain of concern except business, material gains and efficient organization, unions lost their ability to describe and critique the industrial economic environment which fostered them. The interest of skilled labor was separated from that of the "public interest." But, as orga-

nized labor maintained their exclusionary position, mass production industry came to rely more on unskilled immigrant labor.

Ironically, mechanization, particularly in large-scale mass production industries, reduced the attraction of the craft union (Dubofsky, 1975). The "unskilled" now dominated the technologically advanced sectors of the economy (auto, steel, meat-packing, rubber, electrical goods). By 1919, it was the unorganized rank and file, the immigrant, the unskilled workers who remained the most significant threat to industrial hegemony, not the unions. Strikes increased but not trade union membership (Brecher, 1972). In fact, the AFL, in a desperate attempt after World War I to save itself from extinction, entered an agreement with industry and government alike which went beyond mere cooperation. Their antistrike, procontract position was traded for the right to organize and they became facilitators of the new "company unions."

The Role of the State

Industry would ultimately turn to government as yet another tool to control workers' behavior. Since welfare work and industrial organization could not completely contain strikes it became necessary to create new "social consciousness" which would be predicated on a new idea of the government as "imperial mediator."

The U.S. government did not take on the responsibility of categorical benefits and of social welfare as we know it today officially until 1935 and then only as a response to strikes and the collapse of the economy. However, the precedent for government to assume this role was set at the turn of the century by industry and the National Civil Federation in their effort to establish government's mediator role. Industry was actively looking for ways of transferring the cost of industrial welfare work to government. Since industry was involved in everything from setting up cooking classes for the wives of workers to building roads leading to and from their establishments this was an expensive and therefore necessary transfer. The cities would "inherit" many of the welfare measures and programs previously conducted by industry, as is illustrated in the case of Dayton,

Ohio. Here, the city took over the National Cash Register Company's "welfare" program, "to take care of the education and the health and working conditions of employees and their families." Without interfering with the internal dynamics of industry, the social services were designed around the attitude that "happy workers are more efficient." Dayton constructed parks, planted trees, built new bridges. The city's welfare department inspected milk, provided free legal aid, established a municipal employment agency, a municipal lodging house, provided free medical examinations for school children, free vaccination, playgrounds, play festivals, and other social services. The city also created new employment opportunities by building its own asphalt plant, new sewers, and instituting city-wide services. Often these types of services and municipal ownership policies coincided with the aims of radical social reforms, though their objectives remained different.

There was a conceptual change which occurred as well within this transfer of the responsibility for social services. By the 1920s the old philosophy of laissez-faire had been completely replaced by a new Republican ideology and organizational direction which enlarged government and its functions. The involvement of the federal government as a "neutral third party" standing between owners and workers was designed to curb organized confrontation. Government "presence" it was hoped, would create an aura of fairness in negotiated settlements, rather than changing workers' independent action. This new role of the State is central to understanding other changes at the time.

By the 1890s it had become apparent that society could no longer allow workers to shift for themselves in an imaginary free market place, or be subject to the whims of their employers, or even worse, themselves. Working-class life had to be regularized and routinized. This was the necessary consequence of bureaucratic-technological society as Wiebe stresses in *The Search for Order*. Gigantic modern industrial corporations governed by impersonal, formal managerial bureaucracies replaced the old set of social relations typical of "island communities." All of the social reformers agreed that the regularization of working class life was a necessity, and formalized work rules became a motif of working class existence. Unregulated working conditions and

laissez-faire was now seen by industrialists as creating a situation which was totally unpredictable. In this context government was seen by reformers and industrialists alike as a regulatory alternative.

After 1916, with U.S. involvement in the war and the unions' surrender of the right to strike, one might conclude that the state had triumphed in the interest of capital and, in the process, had gained a secure position for itself as mediator to maintain this tenuous balance between unequal partners. More important, however, the State had become the unwilling "sponsor" of collective bargaining. With all of its administrative innovations to limit participation, it was now forced to amend exclusionary practices or continually expand the idea of the "public interest." At the same time, however, the State would give legitimacy to industrial autocracy when worker and citizen participation were denied. The State could participate in the process of the reproduction of productive relations only by sponsoring new and sometimes contradictory social relations. Theirs was a creative function which helps to point out the reoccurrence of contradictions in capitalism. As with the efficiency engineers, the State began to embrace diametrically opposed ideas simultaneously: of consent and manipulation, of men as individuals and as machines, of survival of the fittest and the social explanation of poverty, workers as individuals and as the "group" object of policy, of "merit" as the basis of success and the "inherent" superiority of business, access to information and limited communication.

Conclusion

Work and attitudes about work are cornerstones of American society. Unlike other countries around the world where members of the population may share a common language, customs, or history, the U.S. had to create a commonality for its population. A culture of work was enforced, that is, methods of work, patterns of authority, work behavior and motivation were created from a system of rules and organization. A work ethic was forged at the expense of ethnic cultures and values. Immigrants were forced to give up past values and beliefs to accommodate themselves to the new workplace. Ultimately fear of destitution

was the driving force in the destruction of old cultural values and the embrace of the new work ethic. The breakup of ethnically specific behavior was part of what industrialists considered necessary disciplining of the work force. This discipline was accomplished by a process of social engineering throughout the society. Industrialists, aided by the emerging class of social scientists relied on reorganization (in government and industry) and social services through industrial welfare programs to accomplish their goals. The specific objective was to create new structures of authority, hierarchy and decision making while cultivating new attitudes to serve as the basis of legitimacy for these structures. All of the action and procedures used by industry to create a stock of stable, dependent wage earners served dual functions: production and control. Industrial organization/scientific management and industrial welfare head the list of mechanisms for control and the transmission of the new "work ethic."

Like industrial organization, industrial welfare had a cultural as well as an ideological function. It was not enough for workers to be controlled on the job, the work force had to be self-regulating. Workers had to supply their own regular work habits and timing and their own motivation for work and wages.

As we witness the current debate surrounding new industrial policies toward workers similar concerns emerge. Industrialists and policy makers continue to address the need for "disciplining" the remaining work force. This has come in the form of massive lay offs, the erosion of collective bargaining and unionization, and wage and benefit "givebacks." We are warned that expectations must be "lowered" in the U.S. lest the society crumble under the pressures asserted by the "internal dynamics of democracy in a high educated, mobilized and participant society" (Sklar, 1980, p. 3). The widespread hardship which has resulted from the attack on the working class is the result of an effort to "discipline" and lower expectations. This review of the process of control as it asserted itself at the turn of the century was intended to develop a clearer perspective of the regular demands of capitalism.

As we continue to be bombarded by the demands of industry, the question of government's function will resurface. Citi-

zens will have to address the logic of the corporate State in terms of their own self-interest. On the one hand government has cultivated a client relationship with workers by denying them independent action as a group. By introducing social services the State has created structures which affect daily life. These structures can be manipulated to shape attitudes.

Ironically, the Reagan Administration's cuts in social services and the simultaneous attack on workers and unions may be the source of a new unity. Sectors of the population who had previously been trained to see each other as antagonists now find they share the same plight: free food lines, welfare offices, dependency. If a working unity emerges we may see a new understanding emerge which addresses the rights of all citizens to a decent quality of life as an inalienable right. Working people may see a new function for the State and the Constitution, forcing us to go beyond the Lockean idea of government's function as securing a "free market of competition."

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The Political Economy of Welfare*

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Analyses of the U.S. welfare system in the tradition of political economy have tended to focus on the maintenance of a pool of low-wage labor. This paper adds another dimension, as it incorporates government work programs into a theory of the functions and nature of the U.S. welfare system. Three dimensions of the welfare system are posited: (a) maintaining a stigma attached to welfare so that people are encouraged to hold low-wage jobs; (b) maintaining welfare payments at levels that do not interfere with the functioning of labor markets; and (c) basing government work programs on principles that are congruent with the logic of the market, i.e., profit criteria. Examples drawn primarily from the 1930s to the 1980s are used to illustrate the theory.

Reform of the welfare system has again been on the political agenda during the 1980s. Increases in the incidence of poverty focused attention on welfare and its alleged effect of providing an attractive alternative to wage-labor. Traditional conservative arguments that welfare increases work disincentives have been embellished by relatively new charges that welfare is also responsible for the rise in poor female-headed families. Since the welfare system has been charged with causing poverty, the necessary cure according to conservatives has been forcing recipients to work outside their homes in exchange for their welfare payments.

These theories of "poverty-by-choice" developed primarily by George Gilder (1981), Ken Auletta (1982), Charles Murray (1984), Lawrence Mead (1985), have provided much of the theoretical justification for the Reagan Administration's cuts in welfare spending and implementation of work requirements.

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According to the Center on Budget and Policy Priorities (1984, p. 3), while programs for low-income individuals comprised approximately 10% of federal expenditures in 1980, they were subjected to about 30% of the budget cuts between 1981 and 1984. And the Reagan Administration's support for workfare, in which welfare recipients considered employable are required to provide work that is normally paid a wage in order to receive their welfare payments, has been incorporated into the 1988 welfare reform legislation.

The question arises of how to respond to the new conservative theories about welfare and attacks on the welfare system. Frances Fox Piven and Richard A. Cloward, in their now-classic *Regulating the Poor* (1971), have developed the most convincing theory to date. They show how welfare reform has occurred as a response of the government to militant protests of the unemployed. When the protest abates, parts of the reforms are rescinded and restrictive relief practices are restored. Central to their analysis is the function of welfare in maintaining the "work ethic" and a sufficient pool of low-wage labor. Theorists writing since Piven and Cloward's initial work have also addressed the question of why women and their dependent children have comprised the bulk of the poverty population (cf. Pearce, 1978; Shortridge, 1985; Abramovitz, 1988). Mimi Abramovitz, in *Regulating the Lives of Women* (1988), suggests that the welfare system has been shaped not only by the work ethic, but also by the "family ethic." The unpaid labor of all women in the home has been maintained in conjunction with the low-wage labor in the market of women who have not conformed with the family ethic and whose impoverishment has been caused by divorce, desertion, single motherhood, or failure of their husbands to provide sufficient incomes. The aspect of welfare that needs further theoretical attention concerns work, both work relief, provision of welfare in exchange for work that is normally paid a wage, and wage-labor.¹

In this paper I begin to address the gap in theories about the welfare system by developing a theory of the functions of welfare and the constraints imposed on it by U.S. capitalism in which analysis of the nature and forms of work for relief recipients is integral. Three dimensions of the welfare system are

posited: (a) the "ideology of the dole" and the segmentation of the working class; (b) the level of welfare payments and the maintenance of labor markets; and (c) the form of work and the logic of the market.

The "Ideology of the Dole" and Segmentation of the Working Class

The first dimension of the welfare system concerns the creation and maintenance of divisions among members of the working class. It includes segmentation between the employed and the unemployed, as well as among the jobless themselves. Maintenance of these divisions impedes all members of the working class, both employed and unemployed, from recognizing and perhaps acting on the fundamental commonality of their situation—that they have no guarantee of a job and therefore can be unemployed for periods of time.

The separation between workers who are employed and those who are unemployed is maintained primarily through the "ideology of the dole," the belief that most of the jobless are unemployed due to laziness and inability to find jobs. However, this flies in the face of the reality of capitalist economic systems, which normally rely on unemployment and underemployment in order to maintain profits.² Decisions about production and investment are made by capitalist owners of the means of production (i.e. buildings and equipment) based on the rates of profit they expect to earn. Profits are derived from revenue (price of the product times the quantity sold) minus the cost of producing the product, and wages account for approximately half of the costs of production. When unemployment falls, the bargaining power of workers with jobs increases as there are fewer unemployed workers to replace them. They are therefore more able to obtain both higher wages and more control over the production process, i.e. better working conditions. But this tends to reduce profits, which in turn leads capitalists to cut back production and delay investment projects. As a result fewer workers are needed—and unemployment rises. Thus unemployment is not caused by "lazy workers"—sufficient numbers of jobs simply do not exist.

Segmentation among the jobless includes two types of over-

lapping distinctions. One replicates divisions among the employed working class—differentiation according to race, gender, class, and citizenship (i.e. citizen versus noncitizen, commonly termed “illegal aliens”). The other applies the “ideology of the dole” to the unemployed themselves, and is expressed in terms of the so-called “deserving poor” and the “undeserving poor.”

The “deserving poor” are those deemed by society as worthy, relative to the “undeserving poor,” of receiving relief. Therefore they are given more adequate aid, usually in a less humiliating manner, than the “undeserving poor.” From the early 1600s to the early 1900s the “deserving poor” consisted primarily of middle-class widows and their dependent children. Considered unemployable, they were usually given “outdoor relief,” i.e., they could receive welfare (formerly termed relief) while living in the community.³ During this period the “undeserving poor” included the able-bodied unemployed, as well as people of color, recent immigrants, and women who had not conformed to the family ethic. They were typically given only “indoor relief” as they were forced to work in a workhouse (also called almshouse or poorhouse) or poor farm, or were auctioned or indentured to the lowest bidder, in order to receive minimal means of subsistence.

From the 1870s through the 1930s recurrent severe recessions that commonly sent unemployment as high as 25% of the labor force, combined with periodic widespread and militant strikes, led to a change in categories for primarily white, able-bodied men who had proven their labor market attachment. These altered categories were codified in the 1935 Social Security Act. Social insurance—which included social security and unemployment compensation—was established for the “deserving poor,” and public assistance—consisting of Aid to Dependent Children, Aid to the Blind, and Old Age Assistance—was implemented for the “undeserving poor.” When the Social Security Act was passed, social insurance mainly covered white males in the primary labor market (the labor pool for the “giant corporations” that form the industrial core of the economy) who had worked for sufficient periods of time to qualify. However, most workers in the secondary labor market (the labor pool for smaller firms in the economic “periphery” that either deal with

local markets, e.g. retail trade or construction, or receive sub-contracts from the "core" firms) did not qualify. Furthermore, domestic service workers and agricultural laborers, jobs usually performed by women and people of color, were specifically excluded from the social insurance programs of the Social Security Act.

Social insurance coverage has been extended several times since 1935 as new forms and definitions of labor force attachment have been enumerated. The first instance was the 1939 amendments to the Social Security Act, which expanded eligibility for social security—at much lower payment levels—to widows and children upon the death of the qualifying spouse. Additional categories of jobs, e.g. government workers and employees of nonprofit agencies, have also been included in social insurance programs. Furthermore, new programs have been developed so that social insurance currently includes the following: Old Age Security and Disability Income (OASDI), i.e. social security and disability insurance; medicare, both Hospital Insurance (HI) and Supplementary Medical Insurance (SMI); unemployment compensation; worker's disability compensation; Black Lung disability payments; and a variety of veterans benefits.

Public assistance, the second form of welfare, is conditionally available to people who often work sporadically—part-time and/or part-year—in secondary labor market jobs. The original programs have been altered and new ones have been added so that public assistance currently includes the following: Aid to Families with Dependent Children (AFDC) and Aid to Families with Dependent Children with Unemployed Parents (AFDC-UP); Supplemental Security Income (SSI) for the needy aged, blind and disabled; medicaid; Low Income Home Energy Assistance Program (LIHEAP); subsidized housing; food stamps; school lunches; supplemental food program for women, infants and children (WIC); and general assistance (state-provided aid with no federal supplementation).

Several studies have shown that movement between public assistance, especially AFDC, and low-wage work is indeed the norm. Bennett Harrison (1979) demonstrated in a five-year study of 2700 AFDC families that 92% of them included a member who was employed at least once during this time period. Sar

Levitan (1982) noted that there is much movement on and off the welfare rolls, as $\frac{3}{10}$ of the families on AFDC leave the rolls after one year, and $\frac{3}{4}$ leave within three years. Additional analysis by Mary Corcoran, Greg J. Duncan, and Martha S. Hill (1984) of an extensive set of longitudinal and cross-sectional data collected through the Panel Study of Income Dynamics (PSID) showed that only ten percent of welfare recipients are "chronic," i.e. remained on the welfare rolls for eight out of ten years. These facts dispute another widespread notion, as they clearly show that most welfare recipients *do not* remain on the rolls their entire lives.

Differences between social insurance and public assistance clearly reflect the notions of "deserving poor" and "undeserving poor." Social insurance payments are based on (mandatory) contributions to trust funds by workers and their employers. Recipients are considered to have a legitimate right to these "entitlements" and eligibility is determined by past labor force status. Eligibility for public assistance, on the other hand, is determined by a "means test" based on people's income, assets, and need. Subjected to application and recertification processes, recipients are continually required to prove their neediness. Furthermore, the "ideology of the dole" has led to the widely accepted belief that these payments are not really legitimate.

Women and their dependent children have comprised the vast majority of those categorized as "undeserving poor" and receiving public assistance. For example, among families with income below the poverty line in 1987, 34.2 percent were headed by women compared to 8.2 percent headed by men (Bureau of the Census, 1988, Table 714, p. 434), and in 1985 approximately 94 percent of AFDC recipients and 84 percent of food stamp recipients were women and their dependent children (Coalition on Women and the Budget, 1986, pp. 15–17). Women's overrepresentation in the ranks of the poor results from both the "family ethic" and the sexual division of labor. Whereas men's work has traditionally been performed for wages in the public sphere, women's work has traditionally been done in the private sphere of the home.⁴ Thus the crucial work of childrearing and home-keeping is not generally recognized as "real work"—unless someone comes into another person's home to perform these tasks for a wage—and its value is trivialized. This devaluation

of women's work has then been extended to their wage-labor, and helps account for the income gap of 64 percent (in 1987) between women's and men's wages.⁵

Furthermore, the tenacity of racism in U.S. society can be seen in the persistence of the belief that most welfare recipients are black and hispanic women. In fact, racism *is* to blame for the higher incidence of poverty among blacks and hispanics compared to whites. For example, in 1987, the poverty rate for blacks was almost three times the rate for whites, and the rate for hispanics was 2.5 times the white rate (Bureau of the Census, 1987, Tables 714 and 715, pp. 434–435).

The Worktest

An institution that has historically helped maintain the distinction between the "deserving poor" and the "undeserving poor" has been the worktest. Applied to some or all of the "undeserving poor" much of the time since capitalism developed, worktests require recipients to perform labor in order to prove that they are not "shirking work" and therefore deserve to receive welfare. However only relief—not wages—is given in exchange.

The worktest was clearly evidenced in workhouses that were set up from the mid-1600s through the 1900s. Eligibility was determined by the "workhouse test," as only the most destitute who had no other means of subsistence would enter the workhouse to work in exchange for usually meager amounts of gruel and bread. Early workhouses, established when increases in the number of paupers made congregate care more efficient than indenturing, auctioning, or boarding individuals in homes in the community, were not the mean-spirited institutions of the 19th century. However, as industrial capitalism took hold in the early 1800s, the need to ensure an adequate supply of workers who had no means of support other than their ability to work led to the implementation of very punitive procedures. This policy was most clearly articulated by the British in the New Poor Law Commissioners Report of 1834:

Into such a house none will enter voluntarily; work confinement, and discipline, will deter the indolent and vicious; and nothing but extreme necessity will induce any to accept the comfort which

must be obtained by the surrender of their free agency, and the sacrifice of their accustomed habits and gratifications. Thus the parish officer, being furnished an unerring test of the necessity of applicants, is relieved from his painful and difficult responsibility; while all have the gratification of knowing that while the necessities are abundantly relieved, the funds of charity are not wasted by idleness and fraud (Quoted in Piven and Cloward, 1971, pp. 33–34).

As workhouses were transformed into homes for the indigent elderly in the first half of the 1900s, the “workhouse test” evolved into the worktest.

The worktest has been evidenced during the 1980s in the proliferation of workfare and WIN (Work Incentive) Demonstration programs implemented by individual states. Programs such as GAIN (Greater Avenues of Independence) in California, ET (Employment and Training) Choices in Massachusetts, and JEDI (Jobs for Employable Dependent Individuals) in Maryland, they have used a combination of incentives (carrots) and sanctions (sticks) to move welfare recipients into the low-wage labor market. A variety of components have typically been included in these programs. Job Search involves individual or group (“Job Clubs”) activities, including help with resume writing, interviewing skills practice, access to the state computer job bank, and/or simply phoning employers who advertise for help. Some of the programs offer education, including GED (General high school Equivalency Degree), ESL (English as a Second Language), and/or basic adult education. Training components, both classroom and on-the-job, are often included. On-the-job training has often been implemented through Work Supplementation Programs (WSPs), also called “grant diversion,” in which part of a worker’s welfare check is “diverted” to the employer. In addition, subsidies for a portion of work related expenses (WREs)—childcare, transportation, and sometimes medicaid—are often included. The importance of these “experimental” programs cannot be understated. Although only 22% of all AFDC recipients in states with WIN Demonstration programs operating a full year by 1985 participated in the programs (General Accounting Office [GAO], 1987, p. 54), they served as the basis of the 1988 welfare reform legislation.

The stick, which can be found in all of the workfare and WIN Demonstration programs with the exception of Massachusetts and Maine is the work requirement—i.e. worktest—for those who fail to acquire a job after participating in education, training and job search components (if the programs contain them). Ignoring their unpaid labor in the home, welfare recipients considered employable are required to provide additional work outside their homes in exchange for their welfare payments. Employability for women is defined by the age of the youngest child, usually six or three, and unemployed fathers in the states with AFDC-UP are usually considered employable as well. The maximum number of work hours is determined by dividing the welfare payment by the minimum wage rate (\$3.35/hour nationally in 1988, but sometimes higher locally). Noncompliance can lead to sanctions, usually temporary reduction or suspension of the welfare grant (Dickinson, 1986, p. 269; GAO, 1987, pp. 55, 56, 62).

Worktests have historically served several purposes. Eligible people are sometimes discouraged from applying for or receiving relief, as they try to subsist instead on their own increasingly inadequate resources. This, in turn, reduces the cost of welfare by decreasing the number of cases on the rolls. Worktests also reinforce the “ideology of the dole” by seeming to validate the view that people on relief are lazy and will work only if forced to do so. Discrimination against women is reinforced by obscuring the fact that welfare mothers already work—raising children—and forcing them into workfare jobs in addition to their unpaid work in the home. Furthermore, in the 1970s and 1980s workfare programs have been criticized as threatening to public sector unions, who feared replacement of their workers with less-costly, non-union program participants (GAO, 1987, p. 110).

Current workfare and WIN demonstration programs have been the subject of much debate. Although supporters claim that these programs help AFDC recipients learn work skills and habits, and thereby become self-supporting, studies by the GAO and the Manpower Demonstration Research Corporation (MDRC) have shown that program graduates primarily end up with low-wage and/or part-time jobs that leave them below the poverty level and sometimes still on welfare (GAO, 1987, pp. 103–104;

Gueron, 1986, p. 13). This follows, in part, from the emphasis of the programs, as relatively little has been spent on either education or training, which could potentially help welfare recipients increase their skills, and consequently their wages, or on support services, especially childcare.⁶ Instead, Job Search, least costly and least controversial of all the components, has been used most often (GAO, 1987, pp. 70–71).

In opposition to the stick of the worktest is the carrot of voluntary government work programs. Inducement is used instead of force, typically by granting a larger payment than would be received through direct relief. Voluntary work relief programs are represented by the Federal Emergency Relief Administration (FERA) and the Works Progress Administration (WPA), established during the Great Depression of the 1930s. By the time Franklin D. Roosevelt became President in March 1933, measured unemployment stood at 25 percent of the labor force, with less than one-fourth of the unemployed receiving any relief (Bureau of the Census, 1970, p. 126; Piven and Cloward, 1971, p. 60). Responding to hunger marches and other actions organized by Unemployed Councils for more relief, New Deal officials quickly implemented policies designed to counter the "ideology of the dole" by creating voluntary work relief at rates of pay approximating private sector wages (but with less hours). The programs were sizable. Between 1.4 and 3.3 million people were given work each month on the FERA and the WPA, and 4.3 million were on the non means-tested Civil Works Administration (CWA) at its maximum in mid-January 1934 (Whiting and Woofter, 1941, pp. 46 & 48; WPA, 1942, p. 46).

Other government work programs have contained both coercive elements of the worktest and incentives of voluntary programs. Sticks and carrots have been most clearly combined in the Work Incentive (WIN) Program, established in response to low rates of unemployment and escalating welfare rolls, and designed to more effectively channel the poor into low-wage labor markets. From its inception in 1967, welfare recipients over age 16 who were not attending school or needed in the home to care for a dependent were referred to the welfare department to register for WIN. In 1971 the Talmadge amendments strengthened the stick by mandating registration for those considered em-

ployable, primarily unemployed fathers and mothers with school-age children (under age six), in order to continue receiving welfare. Noncompliance could lead to sanctions, although according to Mildred Rein (1982, p. 212) they were rarely applied. The carrot in the WIN program was the "income disregard," as the first \$30 per month plus $\frac{1}{3}$ of the remaining income was not counted in the determination of a recipient's welfare payment, and a portion of WREs were reimbursed. Despite insufficient funding for both services and WRE subsidies, the fact that the proportion of AFDC recipients working for wages remained at 14-16% of the caseload from WIN's inception through the late 1970s led to a consensus that WIN was a failure and to consequent calls for further program changes (Rein, 1982, p. 212; Smith and O'Brien, 1978).

In 1981, the Omnibus Budget and Reconciliation Act (OBRA), which authorized the establishment of workfare and WIN Demonstration programs, also took a large bite out of the WIN carrot as it ended the income disregard after the first four months of employment, replaced the unlimited WRE disregard with a flat monthly disregard of \$75 (prorated for part-time workers), limited childcare subsidies to \$160 per month per child, and based the disregard on gross (instead of net) income with an eligibility limit set at 150 percent of each state's need standard. According to Robert Moffitt and Douglas A. Wolf (1978), this resulted in the elimination from the welfare rolls of 35% of the "working poor" who had received welfare to augment low earnings. The OBRA's draconian reforms have been modified slightly since 1981—as of 1988 the income disregard includes the first \$105 of wages plus $\frac{1}{3}$ of the remaining during the first four months of employment, and the \$105 portion is extended for another eight months. The OBRA has brought the WIN program into closer conformity with its true acronym, WIP.

The Level of Welfare Payments and the Preservation of Labor Markets

The second dimension of the welfare system concerns the interaction between the level of welfare payments and the functioning of labor markets. Payments are provided at levels sufficiently lower than prevailing local wage rates to prevent people

from making the "rational economic choice" of receiving welfare instead of selling their labor-time for a wage. If this were to occur, labor markets could be impaired, and the capitalist labor process could be threatened.

Corroborating evidence for the need to maintain welfare payments far enough below wage rates can be found in the results of the New Jersey, Seattle and Denver income-maintenance experiments. In these experiments, conducted in the 1970s, people's "work incentive," i.e., their supply of labor-time, was adversely affected by the receipt of welfare payments that were close to their potential wages. However, people in different situations displayed varying degrees of responsiveness. Given similar percentage increases in payments, women, especially female heads of household, reduced their labor supply more than men. And both males and females between the ages of 16 and 21 manifested significant reductions in labor supply (Office of Income Security Policy, 1983; Harold W. Watts and Albert Rees, 1977).

The welfare system contains several mechanisms to try to ensure that relief payments remain sufficiently below prevailing local wage rates. Currently the level of payments varies among the different states for all forms of social insurance and public assistance except social security and food stamps. Social security old-age insurance provides uniform payments throughout the United States because the recipients are "retired," i.e., no longer in the labor force.⁷ Therefore, the level of payments for social security poses little threat to the functioning of labor markets in different areas of the country. SSI covers the needy aged, blind and disabled, also considered out of the labor force. In fact, disability is judged by a person's inability to hold a job. Finally, food stamps are based on the same criteria throughout the U.S. because they are well below the amount needed to survive, e.g., in 1987, the average monthly food stamp payment was \$46.07 per recipient (SSA, 1987, p. 296). Furthermore, almost half of those receiving food stamps also receive AFDC, which varies throughout the U.S. according to the level of wages in each state. Consequently, the level of AFDC payments has historically been higher in the higher-wage states of the North than in the lower-wage states of the South, e.g., in 1987, average monthly AFDC

payments (per family) ranged from lows of \$103.50 in Mississippi and \$112.87 in Alabama to highs of \$513.66 in California and \$549.84 in Alaska (SSA, 1987, p. 295).

According to the logic of capitalism, welfare payments also need to be furnished at levels sufficiently below wage rates in order to maintain profits. Not only do local wage rates function as a ceiling for the level of welfare payments, but welfare payments also serve as a floor for the entire wage structure. It has been true historically that by providing some protection against job loss, higher levels of welfare have helped bolster wage rates and lower levels of welfare have been one of the factors allowing capitalists to cut wages. Thus, although the policy elicited often strident protest from capitalists, New Deal officials were generous with welfare payments partly to increase the "purchasing power of the masses" and thereby boost consumption and aggregate demand (Rose, in press-a). On the other hand, at times when wages have been under attack, the amount and level of welfare payments have also been targets for reduction. This has been clearly manifested by the Reagan Administration in its attempt to restore the disciplinary effect of unemployment through its multifaceted attack on labor. Thus the (inflation-adjusted) value of AFDC payments (per recipient) has continued the decline that began in the late 1970s, falling 18% from 1977 through 1985 and helping to bolster the 10% decrease in private sector (non-agricultural inflation-adjusted) wages that started in 1974 (SSA, 1987, p. 294; Bureau of the Census, 1988, Table 648, p. 392).⁸ Furthermore, many people in families with incomes below the poverty line receive no welfare—in 1985 only 33 percent received AFDC and 61% received food stamps (SSA, 1987, pp. 75 & 296).

In spite of this logic, welfare payments are sometimes close to, or even higher than, income from wage-labor. This has been true in the 1980s for many participants, and especially graduates, in WIN and WIN Demonstration programs because wages minus expenses (the participant's portion of childcare, transportation, and uniforms, as well as medical care) are often less than AFDC payments (plus food stamps and medicaid). Despite this economic irrationality, the GAO (1987, p. 112) found that many people continue to work for wages rather than receive welfare.

Reflecting the effects of the "ideology of the dole," an ET graduate explained: "After living on welfare, just about anything looks good. It might be just a little bit more money for a lot of work, but a lot of people will grab it" (Amott and Kluver, 1986, p. 19).

Welfare payments have also directly subsidized low-wage labor markets. Historically this has taken three forms: (a) implementation of the worktest; (b) supplementation of wages with welfare; and (c) restriction of welfare payments to force people into jobs, both to increase the supply of low-wage seasonal agricultural workers and to break strikes.

The worktest directly aids the functioning of the secondary labor market by making these typically low-wage, non-union jobs more attractive than relief. Consequently, by compelling unemployed people to accept the lower wages and generally worse working conditions in these jobs, compared to jobs in the primary labor market, the worktest in effect subsidizes profits. Furthermore, punitive work relief can help push people into jobs from their positions as "discouraged workers" who drop out of the labor force and receive welfare. This seems to have been one result of the workfare and WIN Demonstration programs in the 1980s.

Supplementation of wages with relief has existed in various forms for almost 200 years. It was first institutionalized in 1795 in the English Speenhamland system, where wages below the minimum amount needed to supply workers and their families with a sufficient amount of bread were augmented with relief. Criticized for depressing wage rates (since wages were supplemented with relief) and preventing the development of a mobile working class (since people were required to remain in their parish in order to receive relief), the Speenhamland system was terminated in 1834 and replaced by the very repressive revised Poor Law.

Supplementation of wages with relief has also been evidenced in the U.S. Despite protestations during the Great Depression that it would further reduce private sector wage rates, relief was given to approximately 500,000 wage-laborers (FERA, 1935a, pp. 9-11). Currently supplementation occurs through the WIN, WIN Demonstration, Work Supplementation, and some work-

fare programs, as participants often simultaneously work for (low) wages and receive some welfare payments. Indeed, the GAO (1987, p. 105) found that more than 48% of those who participated in a work program continued to receive AFDC after they found a job.

Closing welfare roles to force people into jobs has also been used periodically. Even during the New Deal examples abounded of FERA and WPA officials closing relief rolls to force workers into the fields during harvest and planting times (FERA, 1935b, p. 49). In addition, the initial FERA policy of providing relief to strikers was abandoned in September 1934 during the widespread East coast textile strike. The practice of closing welfare rolls to ensure an adequate supply of seasonal agricultural labor was continued through the 1940s, 1950s and into the 1960s. Welfare rights organizing focused attention on this policy, and instances of temporarily closing the relief rolls to force people into the fields now seem uncommon. However, provision of relief to workers on strike, which was restored as a result of the progressive reforms in the 1960s and 1970s, was again terminated in 1981 by the OBRA.

The Form of Work Relief and the Logic of the Market

The third dimension of the welfare system concerns the form of government work programs, and whether they preserve or interfere with the logic of the market. Since goods and services are produced in the private sector only if profits are expected to be sufficient compared to other uses of the money, e.g., financial speculation, the logic of the market dictates that profitability is the primary determinant in capitalists' decisions regarding production and investment. Depending on the degree to which the logic of basing production decisions solely on needs replaces the logic of the market, government work programs can potentially cause people to question the basic rationale of capitalism. The more consonant government work programs are with production-for-profit, the more supportive they are of capitalism. Conversely, the more clearly government work programs are based on needs, the more problematic this can be for the economy.

There are three basic forms of government work programs with respect to the logic of the market vs. the logic of needs.

They are, in order of their potential ability to create problems (with the least problematic listed first): (a) work in the private sector; (b) already existing work in the public sector; and (c) public sector projects that are created explicitly for government work programs.

The first form, work in the private sector, affords the least opportunity for issues of needs to be raised. These positions are firmly embedded in production-for-profit and therefore are the most consonant with the logic of the market. Most of the jobs obtained through WIN, WIN Demonstration, and workfare programs—though not the work requirement itself—fit in this category.

The second form of work, positions already existing in the public sector, can be more problematic than those in the first location because the public sector generally does not operate on profit criteria. Indeed, issues of needs have more easily been raised with respect to public sector services, in terms of both social value and the way in which the services are performed, than has been the case in the private sector. Jobs acquired in the public sector by participants in WIN, WIN Demonstration, and workfare programs, though again excepting work requirements, are representative of this category.

Government work programs that are potentially the most problematic for capitalism involve projects that are specifically created or augmented for program participants since they are outside the normal channels of economic activity. Projects that are part of programs implemented in response to high unemployment, e.g., the FERA, CWA, and WPA in the 1930s and the Comprehensive Employment and Training Act (CETA) in the 1970s, reveal some of the contradictions of capitalism by showing that the market itself does not create sufficient numbers of jobs. Furthermore, since these projects allow the jobless to work together specifically as unemployed, issues of needs can surface relatively easily. Worktests, which also fall into this category, have restrained the logic of needs from surfacing by being so clearly based on punitive principles. Even so, as Piven and Cloward point out that in their discussion of the historical precedents of the 1980 attack on welfare, “. . . manufacturers were always wary of the possibility that the workhouse, or any or-

ganized work-relief program, would nurture nascent forms of social production to compete with the market" (Piven and Cloward, 1987, p. 12).

There are three different sub-types of these specially-created work relief projects. Again in order of their potential for causing problems (with the least potentially problematic listed first) they are: (a) construction and other forms of manual labor; (b) public services; and (c) production-for-use. Of these, construction and other manual labor affords the least opportunity for the logic of needs to replace profit criteria since, of the three, they most closely resemble private sector jobs. Public service projects offer more opportunities for issues of needs to arise because one of the primary rationales for their existence is the provision of services to meet human needs. In voluntary programs the other rationale is to furnish jobs for certain groups of workers, usually those in the white-collar and professional categories. This was evidenced during the 1930s as both the FERA and the WPA established projects for teachers, writers, artists, actors, musicians and photographers, as well as thousands of positions gathering data and conducting research.

The third sub-type of specially-created work projects, and the one that is potentially the most problematic for capitalism, is based on production-for-use. This is in clear opposition to production-for-profit. Production-for-use projects were an important component of the FERA, providing work for approximately 350,000 people at their height in the Winter of 1935 (Kerr, 1935, p. 2). Labeled production-for-use, or production-for-use and distribution, by FERA administrators, they included the following: sewing and mending garments; gardening and canning produce; canning the meat and producing goods from the hides of animals dying from the drought; aid to self-help co-operatives set up by the unemployed; producing mattresses and bedding (using surplus cotton collected by the Agricultural Adjustment Administration); and producing consumer goods (primarily long underwear and other clothing) in factories that had been totally or partially shut down by their owners and subsequently rented by local relief administrations. Although the goods produced in these projects were distributed only to others on relief, the projects elicited such virulent protest from capitalists

that all except the first two were terminated by late 1935 when the FERA was replaced by the Social Security Act and the WPA (Rose, in press-b).

Programs since the 1930s have incorporated lessons learned then from perceived threats to the logic of the market. Although workfare programs have created a good deal of service work, issues of needs have rarely surfaced. Voluntary programs, on the other hand, have created problems. In the Public Employment Program (PEP) from 1970–1973 and the subsequent Public Service Employment (PSE) component of CETA, many special projects were created, e.g., repair of public buildings, summer recreation and conservation, and weatherization of low-income homes. Yet restrictions imposed on these projects to ensure that they not replace “normal government operations” led to unceasing criticisms of inefficiency and “make-work.” It then proved quite easy for the Reagan Administration to end PSE in 1981 and terminate the entire CETA program the following year.

Conclusion

What recommendations does this theory suggest for welfare reform? Most fundamentally, recognizing that welfare recipients perform needed work—raising children—and a needed function for capitalism—maintaining a pool of low-wage workers—leads to the conclusion that welfare is, in a sense, payment for these services. As activists in the Welfare Rights Organization made clear two decades ago, welfare should be seen as a right, not as a privilege (cf. Tillmon 1976). Treating welfare as an entitlement would mean that it would no longer be necessary to devote time and energy differentiating between the “deserving poor” and the “undeserving poor,” and the resources that have been spent on the often confusing and humiliating procedures of certification and periodic recertification could instead be used to provide needed payments and services.

Viewing the welfare system through the three dimensions leads to further guidelines for government work programs. First, participation should be voluntary. Welfare recipients should have the choice between working in the home (in exchange for welfare payments) or working outside the home. Following this logic further, only carrots, but no sticks, should be used to induce participation in the programs. In place of sanctions, options for

all program participants should include educational classes and a variety of training programs leading to jobs that pay wages above a redefined poverty line (based on multiplying the minimum food budget by 4, since food now comprises approximately one-fourth of a family's budget, instead of by 3 as is currently done). To ensure that everyone receives enough to live decently, welfare payments should also be set to at least equal this new poverty line. This could be accomplished, in part, by adopting a \$7.20/hour minimum wage (in 1988 and indexing future increases to inflation), as full-time, year-round work would then result in redefined poverty-level income for a family of three. Quality, federally-subsidized childcare for both welfare recipients and those not on the rolls would serve as a crucial incentive to enter voluntary government work programs or go straight into the labor market. Making quality childcare available to all would preclude the development of a two-tiered childcare system, a means-tested one for welfare recipients and a non means-tested system for everyone else. Furthermore, to help eliminate the economic rationality of going back on welfare in order to obtain medical care, a national health system should be implemented for all citizens regardless of employment status.

Finally, the government should provide jobs when the private sector fails to do so. It is clear from the experience of the 1930s that this capability exists. If, in the depths of the great depression when the federal government was far smaller than it is today, work was provided each month for 1.4 to 4.4 million people out of a labor force of 51 million (in 1933) to 55 million (in 1938), then surely our current government could create work for similar percentages of today's labor force of 120 million. Criticisms of inefficiency and make-work that were targeted toward the FERA, CWA, and WPA in the 1930s, and again in the 1970s toward the PEP and CETA, could be countered by arguing that programs should be based on the logic of needs instead of the logic of the market. We could then begin to develop a welfare system in which people, instead of profits, are treated with respect.

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Notes

1. Work relief is contrasted to direct relief, welfare payments in exchange for work done in the home, primarily raising children.
2. The two other methods of maintaining capitalist profits involve clear government intervention in the economy: fascism, a political system in which an authoritarian government uses unconcealed power supported by a nationalist ideology to secure "co-operation" of workers and limit their demands; and social democracy, a system that has developed in countries where the labor movement has been strong enough to form a compact with capital and demand high wages, good working conditions, and relatively well-developed welfare states.
3. In fact, the term "unemployable" is a misnomer because the same people can be considered unemployable at one point in time and employable

- later, e.g., disabled people and women with children who were considered unemployable during the 1930s easily obtained manufacturing jobs during World War II when the unemployment rate fell below 2%.
4. In addition, poor women, primarily recent immigrants and women of color, have worked for the lowest wage jobs when they were able to do so, e.g., not enslaved.
 5. The 64% female/male wage gap includes only those who worked full-time, year-round. When part-time and/or part-year workers are included, the wage gap falls to 44%.
 6. The 1985 GAO (1987, pp. 69–70) study found that approximately 10% of the WIN Demonstration program participants received education and training. More recently, in a 1986–1987 study of California's GAIN program, Casey McKeever (1988, p. 4) found that only 1.5% of the registrants received training. In terms of childcare, the GAO (1987, pp. 82–83) study found that the median program paid a maximum of \$160 per month per child for childcare, far below the market rates in many areas of the country, and that expenditures on childcare were only 6.4% of the median program's total budget. McKeever (1988, pp. 3–4) found that only 19.8% of all participants (30% of single-parent families) received childcare subsidies.
 7. Social security recipients are not entirely out of the labor force since they can work a designated number of hours until age 70 before losing part or all of their benefits and can work an unlimited number of hours after age 70 with no reduction in benefits.
 8. The 34% decline in inflation-adjusted AFDC payments per *family* began in 1968, shortly after the average size of AFDC families began falling from 4.2 to its current level (maintained throughout the 1980s) of 2.9 (SSA, 1987, p. 294).

Towards a Construct of Employment for Social Welfare and Economic Productivity*

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This article analyzes Marxian socialist, neo-classical, and Keynesian economic theories toward developing a construct of employment which supports social welfare and economic productivity. It considers their motivational approaches, outcomes, and requirements for social control. A Keynesian construct of employment is recommended as supportive of social well-being, high productivity, and a level of social control reduced from that in currently dominant economic systems. Implications and implementation issues are considered.

In her address to the first plenary session of the 1985 NASW Symposium, Nancy Humphreys called for a dialogue between economic and social welfare theorists as a way to provide leadership in combating the development of a two-class society in the United States. A two-class society has distinct upper and lower classes, with the upper class having extensive economic and political power as well as social control over the lower class. Indicators of such class separation are apparent. In August, 1986, a United States Government analysis reported that the richest one half of one percent of the people in the United States owned 27% of our wealth, an increase over the 25% they controlled ten years earlier. Robert Kuttner (1984) reports that labor unions are under attack, workers are being pressed for wage concessions by powerful employers, and wealthy corporations are shifting jobs both to the low-paying service sector and to low-paying parts of the Country. Economist Robert Lekachman (1987) has

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revealed that for every person who moves from the middle to the upper class in the United States, two join the lower class.

In the two-class society, a small, wealthy and/or powerful percentage of the population (the upper class) has immense social and economic control over the majority of citizens (the lower class). To increase profits, the upper class uses its economic and political power to lower wages as much as possible and to threaten workers with unemployment if they object. The doctrine supporting this approach is called "neo-classical economic theory" (Levesson, 1977; Okun, 1975). In order to "appropriately" maximize profits, policies have recently been pursued to maintain seven percent reported (fourteen percent actual) unemployment as "normal" in the United States (Kuttner, 1984; Ginsburg, 1983).

Research conducted by Hollingshead and Redlich (1958), Leim and Leim (1978), Jahoda (1982), and Harrington (1981) has demonstrated that unemployment results in reduced mental health, a social welfare problem. Neo-classical economic theory argues for a minimum expenditure on social welfare activities, because they are a drain on the financial rewards and functions of the market place (Levesson, 1977; Bernin, 1940). In an environment influenced by a two-class society, poverty is often intentionally untended under the illusion that it effectively "motivates" people to work, and does so at a low wage. Other social welfare costs in such an environment include pollution, which business defines as external to its concerns since the costs of clean up would reduce profits; surveillance of workers, so that they will maintain production quotas for low pay; and the costs of war and political oppression which emanate from extending class domination to Third World countries (Bowles, Gordon, & Weisskopf, 1983).

Contrary to the view of many in the controlling class, there are economically productive approaches to employment which do not effect as many of these costly social welfare consequences. Samuel Bowles, David Gordon, and Thomas Weisskopf (1983) define economic productivity as "the term used by economists and statisticians to refer to the amount of real output produced per hour of labor employed" (p. 122). Economic productivity can have positive relationships with the achievement

of social welfare goals, depending on how employment is conceptualized and on the general economic approach. Bowles et al. (1983) demonstrated that the most productive societies share power with workers; tax highly to provide funding as a way to generate full employment, and have strong social welfare programs. Such societies maintain full employment as a way to improve social well-being. Because they are less oriented to excessive social control and economic power through profit maximization, they also reduce social welfare problems associated with such control.

The approaches to employment in three economic theories are analyzed with the objective of developing a construct of employment consistent with both economic productivity and social welfare goals. Employment can be defined as performing work in exchange for wages, a basic definition that is used throughout this analysis. The economic theories studied here represent distinct views that have been selected to show how various combinations of social control, social goals, and economic goals affect productivity and social welfare in current economic systems. The Marxian, totalitarian view represented here is similar to systems which have influenced policy in the Soviet Union and China. The neo-classical view currently prevails in the United States. Keynesian economics has been the focus of policy in many social democrat governments and many of its principles were used to guide United States policy during World War II (Kuttner, 1984). Unfortunately, other ideas, such as democratic socialism, which fall on the continuum between the perspectives analyzed here, can not be considered due to space limitations. Some of the research cited is provided by authors who have traditionally been associated with such ideas, e.g., the work of Bowles, Gordon, & Weisskopf (1983) has been associated with democratic socialism.

Neo-classical Economics

Neo-classical economists have promoted two basic versions of their theory in the United States. The less regulated version, which has influenced policy since 1981 during the presidential term of Ronald Reagan, was previously promoted during the term of Herbert Hoover, leading to the Great Depression of 1929

(Trattner, 1984; Batra, 1987). The modified, neo-Keynesian version was variously enacted in the United States between the days of the Great Depression and 1980. Both views will be considered here.

Neo-classical economics has been described by historian William Trattner (1984) as an antiquated economic theory dating back to the more egalitarian ideas of Adam Smith. Smith's classical economics envisaged a world free of monopolies in which all people would find employment at a wage determined in a market of totally flexible wages and prices (Heilbronner, 1986). As wages went up, prices would go up; as wages went down, prices would go down. This world required few social services because all people would have opportunities to work and purchase what they needed at reasonable prices in a free market. Smith saw monopolies as dangerous because they inhibited competition and made the market of economic exchange less free. For example, a powerful monopoly holder could refuse to reduce prices even though demand for certain goods was low. A monopoly employer or combination of employers could act to keep unemployment at a certain level so that workers would always be threatened with replacement by other, unemployed workers if they did not comply or were not willing to work for less than their labor was worth. The monopoly holders' profits are built in large part on the difference between a fair wage and how much less workers can be coerced to accept.

Neo-classical economics uses Smith's free market ideas to discourage spending on public welfare but limits the freedom of economic exchange by allowing monopolistic control over workers and prices. Its approach to employment has dominated the Reagan administration's policies. Neo-classical economics directly relates employment to inflation and unemployment to price stability in a neat formula referred to as the Phillips Curve (Ginsburg, 1975). It emphasizes the importance of minimizing inflation and tolerating resultant unemployment (Leveson, 1977).

Decisions about "appropriate" levels of unemployment are made independently of the problems they may cause the affected population in favor of maintaining designated price levels, controlling inflation, and assuring adequate profit levels for reinvestment in capital goods. The maximization of profit levels is

based in large part on keeping labor costs low. Costs are minimized by coercing workers to accept low wages through the threat of losing their jobs to unemployed individuals, requiring a pool of unemployed people to drive labor costs down. Wages earned in producing the supply of capital goods will supposedly be spent to purchase consumer goods. These purchases then become a source of demand which requires more supply or production and thus more employment (Leveson, 1977; Okun, 1975; Kuttner, 1984).

Neo-classical economics paradoxically attempts to lower employment to keep labor costs low, through competition for scarce jobs, and to make the economy grow as a way to increase employment. It uses the primary emphasis on maximized profits as a guide for policy. Employment is sacrificed to generate lower wages and higher profit margins (Okun, 1975). In accordance with this confused design, the Reagan administration at first raised the unemployment rate to record post-Depression levels in order to decrease inflation, lower wages, and increase investment capital. It has subsequently reduced unemployment approximately one percent below the rate where it stood when President Reagan was elected, but under circumstances of lower wages and higher profits, contributing to the development of a two class society (U.S. Dept. of Labor, 1987; Lekachman, 1987).

In the neo-classical context, social welfare expenditures are seen primarily as a drain on needed economic resources or profits (Leveson, 1977; Bernin, 1940). This drain is to be minimized. As Ginsburg (1975) notes, however, these benefits serve to control the unemployed by allowing them a subsistence existence and maintaining their threat to lower the wages of others through competition for scarce jobs. The intention of public assistance in such a system is that it be inadequate, to provide motivation through the punishment of not working in normal labor markets.

Neo-classical economics has been awkwardly merged with one idea proposed by John Maynard Keynes in a tradition which Joan Robinson (1978) terms "bastard Keynesianism", referred to here as neo-Keynesianism. The primary concept that neo-Keynesian economics borrows from Keynes is that funding employment will create demand in the economy and stimulate economic growth. Other than that, neo-Keynesianism is essentially

an extension of the neo-classical economic ideas noted above. This logically inconsistent application of a Keynesian principle in a neo-classical context was coupled with what Bowles et al. (1983) call a revolt against the profit maximizing controls in the mid 1960s which led to the economic stagflation of the late 1970s. They note that during this time, labor, the general citizenry, and Third World countries were evidencing their dissatisfaction with such things as restrictive work settings, environmental pollution, and oppressive domination of such countries as Vietnam. The result of inconsistent neo-Keynesian policies and the slip-page of control on which neo-classical economics depends was runaway inflation, sluggish economic growth and around seven percent reported unemployment (Bowles et al., 1983; Kuttner, 1984).

Neo-Keynesian approaches occasionally justify increased inflation and funding for increased employment as a stimulus to demand, along the Phillips Curve model suggested above. They do not, however, make any of the necessary structural changes to support the Keynesian view of a healthy economy. Politically, neo-classical economists claim that the failures of neo-Keynesianism are those of Keynesianism. They point to the failures of an essentially neo-classical system in an attempt to discredit Keynesianism.

In the neo-classical view, findings about the social welfare effects of unemployment are of limited worth, since unemployment is seen as necessary to economic health. Programs to address the needs of the unemployed would require a drain on the economic system; disturb the required motivation-by-deprivation, through alleviating "necessary" unemployment levels; and generate less of the "necessary" capital for investment by the very wealthy requiring funding from higher taxes.

Neo-classical policies result in higher than necessary levels of unemployment, poverty and mental illness related to unemployment (Hollingshead & Redlich, 1958; Leim & Leim, 1978; Harrington, 1981; Jahoda, 1982); low productivity; a lower standard of living; wasteful domination of workers through imposed control on the job; acceptance of unnecessary environmental pollution; and wasteful domination of Third World countries; including wars which kill primarily people of the lower class,

such as the Vietman experience (Bowles et al., 1983). Their social welfare consequences are severe.

Under the policies of the Reagan administration, it has become common for industries to threaten workers with moving their place of employment out of town unless the workers take wage concessions so that profits can be increased. At the same time, the cost of consumer goods has not gone down. As a result, workers are worse off because of the freedom of employers to seek more profits. The very wealthy are able to heavily influence the government through political support in the form of, for example, large amounts of money filtered through political action committees. They can promote their policies through buying sophisticated media campaigns and broadcast and print media to control dissemination of information and disinformation in their interest, and control financial rewards in society to produce conformity with their intentions. For example, the General Electric Corporation, manufacturer of often unpopular military and nuclear energy products and a company that has paid relatively low taxes compared to its economic well-being, recently purchased the National Broadcasting Corporation, a major source of media influence. The prospects for tightening social controls and reducing the freedom of others by this corporate giant were drastically increased by such a move, yet the freedom of individual citizens to act against such efforts is consistently eroded in a neo-classical system.

Purchasing power is also depleted as wages and benefits are decreased. Vacation and sick day leaves, child care, medical and dental coverage, insurance, and other provisions of the employment contract which provide for social welfare are reduced in the name of maximizing profits. These cutbacks reduce the standard of living for a majority of people, resulting in the low-demand productivity lags described above, unemployment, and low utilization of investment capital. There is little wonder that the economic booms predicted by the Reagan administration have often showed less-than-expected economic growth. An alternative method for expanding productivity growth in such an environment is to broaden markets for products by imposing the neo-classical system on other parts of the world. This leads to wars, political conflicts, and arguments for a defense buildup

which depletes resources from the citizenry but contributes to profits (Bowles et al., 1983).

Heilbronner (1953) noted that both Keynes and Marx saw capitalism as promoting unemployment. Where Keynes' approach was to modify traditional capitalist thinking, Marx promoted a more extreme approach to employment as a social goal. Both views pursue full employment at a reported level of perhaps one half of one percent. Marx's totalitarian socialism is riddled with many of the same social control problems as the neo-classical view, however.

Totalitarian Marxist Socialism

Robert Heilbronner (1986) reports a picture of socialist employment as guaranteed, despite economic realities. The Marxian socialist society has an ostensible commitment to equality and full employment for its people. The state assumes responsibility for economic problems which arise from what neo-classical economists would call over-employment. There is no commitment to a profit-driven market economy in a totalitarian socialist society, because all production is ostensibly collective. Profits are similarly shared and distributed according to need (Gilbert, 1983). Although many totalitarian socialist states enjoy consistent full employment, it is accompanied by poor economic productivity. Therefore, they are currently experimenting with small market economies to boost economic growth and contribute a more dynamic aspect to employment oriented interaction (Kuttner, 1984). For many, a major problem with totalitarian socialist environments is the ultimate social and economic control they exercise. Blau (1977) suggests that social exchanges in such a setting are not productive in the same way as those in which exchanges are voluntary.

Totalitarian socialism limits the options of its citizens by denying private ownership and ultimately controlling resource distribution through the central bureaucracy. Both socialist and neoclassical systems deny the greater majority of citizens control over their economic and, often, social interactions, favoring either the collective state or the very wealthy few. This centralized control is counterproductive in economic and social welfare terms.

Totalitarian socialism spearates employment from personal motivation for economic growth. It is as limited as the neo-classical system which tends to profitability goals without consideration of social implications. To a certain degree, earning and spending personal profits sustains the employment goal. Under harsh controls which limit personal profits, order is maintained, but society is frustrated by social welfare problems related to a low standard of living.

All profits accrue to the totalitarian state which also holds all resources. Wages and benefits are received according to need determined by the state, and work is performed according to ability. The state must dedicate extensive surveillance resources to controlling and punishing violators of its policies in order to forestall any efforts at individual profit making, or individual ownership. Punishment and ideological persuasion are some of the few means of enforcing compliance, since rewards are ostensibly based on need and not to be used as motivators or distributed in return for performance quality. Although totalitarian controls are more overt than the neo-classical ones, both systems promote centralized domination of others and a lack of personal freedom as they approach their terminal conditions.

Although people are motivated to work for reasons of sustenance, social exchange, aesthetic enlightenment, and other considerations, all else being equal, motivation is limited by the fact that personal profit is not available, and rewards for work performed are diffuse. There is little personal reason to increase productivity. Even if societal productivity goes up markedly, there is a strong chance that many of the benefits will go into military or surveillance efforts to maintain totalitarian control. Since rewards are routed through complex, centralized, bureaucratic, state channels based on societal need, economic motivation for productivity can appear almost random rather than a reward for performance. The state provides a buffer to what might be natural economic deterioration given a lack of productivity, an identity for the citizenry, and basic level of social welfare for citizens.

Adequate health, education, and other social welfare benefits, in addition to employment, are seen as human rights in totalitarian socialism, not as something to be earned. However,

excessive controls grossly violate personal freedoms of expression and economic activity. This denial undercuts the social welfare of individuals because it erodes their integrity in making personal choices. Keynesian economic systems attempt to strike a balance between personal profit and social well-being, with an emphasis on personal integrity.

Keynesian Economics

The most successful economies (that is, those with the highest productivity growth) in the world have implemented Keynesian principles regarding employment (Kuttner, 1984). Some of the basic tenets of Keynesian capitalism are strong centralized economic planning; adequate, non-maximized, widely distributed individual profits; widely held and possibly public savings; strong social welfare programs; often strong labor unions; equally footed bargaining between labor and management; involvement of labor in making management decisions; high taxes; and a commitment to full employment (Keynes, 1964). Employment, in the traditional Keynesian view, is seen as the stimulus to a healthy economy. When monies are required to fund new employment, they are most often taken either from private or public savings or from tax monies. An example of public savings would be a Social Security System funded like a private pension plan. Since social services or new efforts to ensure full employment are funded from current assets, taxes, or currently saved money, they are not inflationary in the same way as government borrowing. The tragedy which relates full employment to high inflation and unemployment with economic stability or growth is neatly bypassed.

Where the neo-classical system encourages a certain imposed level of unemployment to keep wages low, enhance competition for scarce jobs, and maximize narrowly held profits, the Keynesian approach encourages full employment as the key to continued economic demand and widely held, adequate, individual profits. Full employment policies result in new jobs. The income from these jobs generates demand through spent wages, personal savings of employed individuals, and capital formation through investment of private and public savings. High taxes, which reduce maximized profits and the abuses of economic

domination by one class over another, also provide an inflation-reducing way to fund demand-generating employment.

In 1940, Emmanual Lasker suggested that reducing profits from a maximal to an adequate level and paying the price of general prosperity with higher taxes are functions of a unified economic view toward building "the community of the future." He proposed that those who advocate motivation to work as a result of the relative punishment of unemployment believe in a "false psychology." The Keynesian view is based in the psychology of positive reinforcement, offering people employment as a motivation to further employment. The challenge of matching full employment to available supply and demand markets requires the implementation of extensive planning by labor, management, and government authorities (Bowles et al., 1983; Ginsburg, 1983; Kuttner, 1984)

Keynesian economic systems are capitalist in that they operate on the principle of private ownership and personal profits. They exercise an overt control on profit levels to assure that these are not so high as to promote the destructive domination of others engendered in the monopolistic control of neo-classical economic systems. Keynesian systems also act to control the economy in order to ensure employment for those who desire it, and economic profits to motivate individuals toward economic growth. Where neo-classical and totalitarian socialist systems control people in support of profitability goals or a communal economic doctrine, Keynesian systems control profits and actively intervene to stimulate the economy in order to support goals of economic growth and the social welfare of citizens. Keynesian economies exert legal controls on citizens to enforce laws just as neo-classical or totalitarian societies do. Because the economic system does not promote excessive control over others in its policies, however, people in a Keynesian society are more free to achieve the highest status level when starting from the bottom. This upward mobility is consistent with a Rawlsian notion of equality (1971). Citizens in a Keynesian economy are also freer to enjoy a higher median standard of living than those in neo-classical or totalitarian societies because of the higher per capita productivity level. An example may help explain how this operates.

Consider three individuals who earn \$25,000, \$50,000, and \$75,000 per year, a typical multiple of lowest to highest earnings in a Keynesian economy (Ginsburg, 1983). Although these income levels are different, the person with the lowest income could reasonably save money to the degree that she could make investments to equal the \$75,000 per year wage level in the future. In the Keynesian approach, new economic endeavors are often funded with tax money from excess profits. Keynesian policies help people achieve economic growth and provide social welfare assurances such as adequate child and health care to give them a solid base from which to proceed. The same amount of money would likely be distributed into three wage levels of \$9,000, \$50,000, and \$125,000 in a neo-classical society. Notice that the total dollar figure is higher in a neo-classical economy, because less money is directed to taxes. It is much less realistic to think that the \$9,000 annual wage earner could save money to invest toward achieving the \$125,000 income. This is especially true since the wage earner's income is not supplanted in the same way by responsible social welfare policies to provide low cost child and health care. Tax money which might have gone for these services is directed instead to the person with the \$125,000 income in the neo-classical society as a way to provide investment capital. But the \$9,000 wage earners (and the majority of people like them) do not have the extra income to buy goods produced through this investment. They certainly would not have the money to invest in a business to try to equal the status of the person who makes thirteen times as much. The \$9,000 wage earner in a neo-classical system is less economically free than the \$25,000 lowest wage earner in a Keynesian system. The totalitarian socialist system precludes participation in this economic exercise by assuming state ownership from the outset. The most wealthy citizens in a Keynesian system are less able to exploit the least wealthy because planning efforts are geared toward long range economic freedom, productivity, and social well-being for all people and away from short-term views of profit maximization.

Countries which emphasize strong centralized economic planning, accompanied by a strong voice for workers motivated by reasonable financial rewards for their efforts, as Keynesian

policies do, have surpassed neo-classical and totalitarian socialist systems in productivity measures (Bowles et al., 1983; Kuttner, 1984; Marshall, 1987). When people think they have a continuing chance to do well and have the support of their society's planners in continuing to make economic progress, they will respond to those opportunities and continue to be more productive than in other, less encouraging environments. When they are oppressed beyond hope of reasonable economic opportunity, they become less productive, overwhelmed with the struggle to survive, and they do not have the resources to fuel productivity with consumer demand. This rather bleak scenario of decreased demand is the case I have discussed here for neo-classical and totalitarian socialist economies.

Keynesian economies support such social welfare benefits as equal access for those with disabilities, responsible child care facilities, health care, safe working environments, ongoing opportunities for employment and its related mental health benefits (Jahoda, 1982) and other benefits, as basic human rights. When people are equipped with such rights, they can be more involved in developing healthy economies. The money spent on productivity-oriented social welfare benefits is a wise investment in healthy individuals and a healthy economy. It makes sense that a healthy worker will be more productive than a sick one and that a society that maintains the social welfare of its citizens can more easily direct efforts at becoming productive. Totalitarian socialist systems have shown us that when social goals are not accompanied by personal profit motivation, productivity suffers. Neo-classical economic systems have shown us that personal profit motivation in itself is inadequate to generate the highest levels of productivity. By liberating their citizens for ongoing social and economic interaction, Keynesian economies have been able to provide high levels of social welfare and productivity.

Discussion

Bo Hedberg, Paul Nystrom, and William Starbuck (1976) suggest that the key to effective social and economic systems is the freedom to interact with others. They imply that the adaptability to environmental changes allowed by this freedom is

best facilitated when the extremes of profit maximization and totalitarian control are limited. Counter productive extremes of behavior develop most readily in economies dominated by unbridled individual freedom to accrue resources and power and control others as well as in totalitarian socialist states.

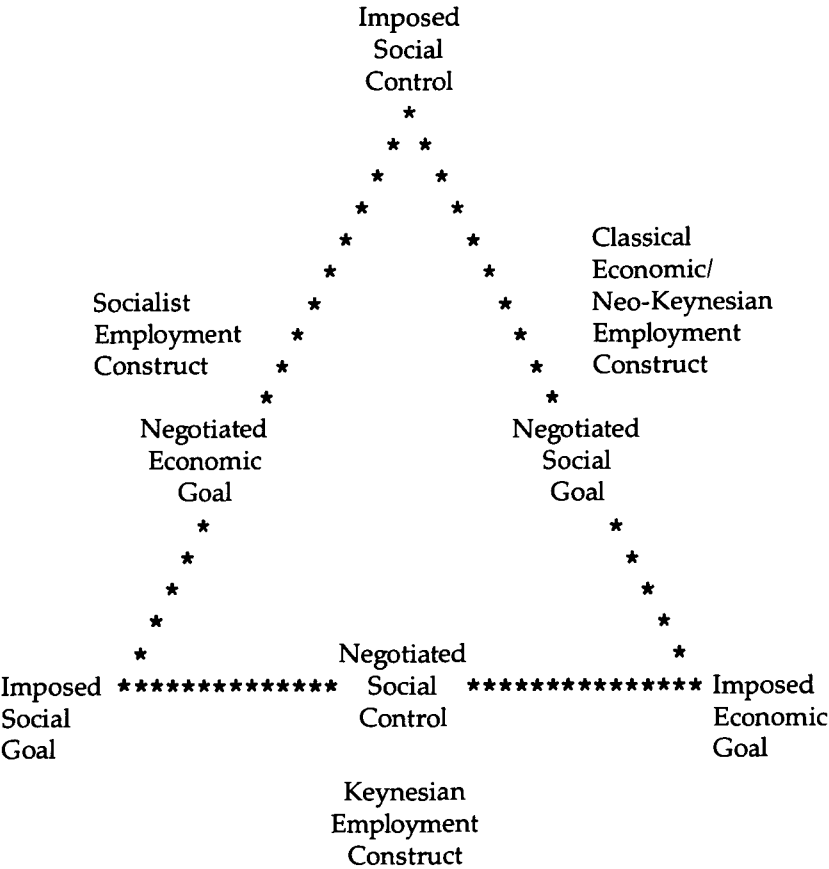
The apparent key to the success of the Keynesian approach to employment and productivity is the way it has been able to empower workers to achieve economic and social welfare goals and has allowed a broadly empowered citizenry to participate in negotiating social controls necessary to maintaining productivity and moderate individual profits. Although arrangements for sharing power in this way are often complex, they do not necessarily require a heavily centralized state. The Keynesian approach limits centralization of power and social control so that they are much lower than the levels in neo-classical or totalitarian socialist economies.

A graphic summary of how each theory treats social welfare, social control, and economic goals is shown in Figure 1.

A Keynesian construct of employment is most appropriate for pursuing both economic productivity and social welfare goals. It requires employment for all who are interested in working, moderate individual profits for all wage earners, and implementation of careful social and economic planning, specifically including a reasonable day care and medical care to allow people to work, and high taxes on the very wealthy to fund services, minimize excess social control, and increase social equality.

The first step in implementing goals for improved productivity and social welfare is to educate the populace in their benefits. Social workers are in a special position; we have contact with the increasing number of people who are among or interacting with the lower economic class in the United States. As we educate students and the populace in the basic realities of how economic and social goals can act to facilitate each other, they will be more prepared to support the policy steps recommended here. In order to successfully educate social welfare professionals towards empowering others in this way, economics should become a basic element of social welfare curricula. We must also further explore theories of social exchange towards explaining the nature of economic exchanges which are symbolic of social interaction.

Figure 1. Imposed and secondarily negotiated elements of the employment construct in three theories of economics



During the last eight years, neo-classical policies in the United States have been intensified, and it may be asked how Keynesian approaches can be implemented. Several deep running currents in American attitudes about public welfare can be expanded in a positive way to enact the policy recommendations of this analysis. (a) There is an abiding distrust of welfare dependency in the American culture, accompanied by a strong work ethic. Dependency-promoting welfare programs should be replaced by guaranteed opportunities to work for all citizens who want to do so. Developing technologies are changing the nature of work so that people experiencing many disabilities can share in

these work opportunities. (b) There is a current popular outcry for benefits such as government guarantees for adequate day care and health insurance coverage at reasonable cost to allow citizens to more reasonably be able to work and support themselves. As traditional welfare recipients are normalized into the for-wage workforce, their need for these types of benefits should be represented as equal to that of any other worker. (c) Traditional welfare recipients should not receive any different wage levels than those in the normal workforce. Indeed, they should become part of the normal workforce, separated only by the fact that their employers may be capitalized by government monies taken from taxes on the very wealthy. These taxes would be used to promote valued competition in the labor market by supplementing jobs not offered in the private sector, and increasing freedom in the labor market. (c) Once guarantees for work opportunities have been established, appropriate training programs to prepare those who need them should be offered as part of the work guarantee. It is traditional in American public welfare to provide training first and then to have recipients find their own jobs in the "free market." I have discussed how the current job market in the United States is not necessarily free. Successful public welfare programs must strive to restore freedom and true competition to the job market by guaranteeing ongoing employment as a basic right to those who meet the qualifications for work prior to offering training programs. (d) Advocates of employment policies which promote true competition and freedom in economic markets, consistent with American values, should learn some procedural lessons from presidential candidate Jesse Jackson. He has demonstrated previously unheard of popularity for a Black candidate based on a sensible message which argues for higher minimum wages, guaranteed employment opportunities, equalizing the distribution of wealth in the Country, actively building voter support among the disenfranchized and growing lower class, and arguing for the rights of labor. This message was conveyed, in part, by brilliant use of the media at a lower cost than that of his opponents. Also, he did not give up his message when the primary elections appeared lost.

My first contacts with Jesse Jackson were on the South Side

of Chicago in 1969 when he was exciting churches full of poor people, and others interested in change, through Operation Breadbasket. Over the past 19 years, his message for social well-being has been consistent. In 1988, he excited large portions of the electorate. Although his message is not new as stories about his recent success may infer, it is well thought out. Developing a consistent employment policy based on the Keynesian recommendations described here, and promoting it, despite the vicissitudes of political events, will provide a meaningful basis for improved social welfare and productivity in the United States.

In many ways, World War II, which economically reconstructed an America devastated by the Great Depression, was a Keynesian, full-employment, high-savings, high-productivity effort planned in response to an external threat (Kuttner, 1984). We have evidence that Keynesian efforts are effective in the United States and elsewhere. It is a responsibility of social welfare leaders to refine plans for improving the lives of all citizens and incorporate them into policy at every opportunity. This review has been a foundational step in that direction. As public welfare efforts focus on employment in order to become more consistent with American values, the door may be open to structure future programs so that components of the Keynesian system described here, and further refinements, may be implemented.

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A New Paradigm for Social Welfare

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The American welfare state has been contained by several developments that have influenced social policy: the traditionalist movement, neoliberal ideology, and the budget deficit. These are evident in the minimal welfare reform of the Family Support Act of 1988. A new paradigm for organizing thinking about American social welfare is proposed around themes that have become central to discussions of social policy: productivity, reciprocity, community, and privatization. In order to become a viable institution again, social welfare policy should emphasize specific themes: voluntarization, access to services, social choice, social control, social obligation, transitional benefits, community enterprise, and national service.

The 1980s have been punishing for the American welfare state. A convergence of social, political, and economic developments have not only halted a half-century of steady expansion but even posed the prospect that government social programs—the heart of the welfare state—would be reduced. To most observers there is little evidence that the momentum to roll back the welfare state, attributable to these factors, has been exhausted. Accordingly, it remains for those concerned about social justice in the United States to consider alternatives to conventional social programs to assist the disadvantaged.

Since the New Deal, welfare professionals have relied on the welfare state paradigm to guide their thinking.¹ Following this paradigm, welfare advocates foresaw a central administration extending benefits to a wider spectrum of the population as a right of citizenship. Eventually, the American welfare state was to resemble its northern European counterparts—complete with a guaranteed annual income, full employment, and national health care. But, 50 years after the passage of the Social Security

Act, these objectives have all but vanished from the social policy debate. If welfare professionals are to remain instrumental in promoting the commonweal, they must fashion a new paradigm for social welfare.

Containing the Welfare State

By now it should be apparent that the profound reversals suffered by public social programs are not temporary; rather, the reduction of public welfare is a consequence of forces deep at work within American culture. For American progressives, the traditionalist movement, neoliberal ideology, and the budget deficit all make the revitalization of a New Deal-style welfare state unlikely. Too late, advocates of governmental social policies recognized that conservatives had stopped sniping at welfare programs, preferring instead to create a context for governmental programs that proved so hostile that new, large-scale social programs were effectively precluded.

In a development much depreciated by liberal intellectuals, a loose amalgam of religious fundamentalists and conservative populists merged to form the influential "traditionalist movement" (Pines, 1982). Seeking to restore basic values—respect for family and country, hard work, freedom and independence—traditionalists challenged welfare programs which were alleged to fracture family life, erode the work ethic, and encourage undesirable behavior. Substituting protest and telemarketing for fire and brimstone, the traditionalist movement flexed its political muscles during the 1980 election which not only brought Ronald Reagan into the presidency, but also placed a Republican majority in the Senate. Allegiance to this movement provided the Reagan administration with the political mandate it needed to alter domestic policy during the early 1980s. The election of George Bush to the presidency in 1988 and the likelihood that he will install more conservatives in high positions within the federal judiciary promises to continue the momentum of the traditionalist movement.

Smarting from the defeats of Jimmy Carter and Walter Mondale, many liberal Democrats began to reevaluate their party's time-honored position on domestic policy. In place of adherence to New Deal-type programs, a new variant of liberalism em-

phasized the productivity of business over the needs of the disadvantaged. Christened "neoliberalism" by *Washington Monthly* editor Charles Peters (1983), the new ideology provided younger, ambitious Democrats an opportunity to avoid association with the high price-tag social programs of "paleoliberalism." As early as 1982, the Democratic party dropped the classic liberal trinity of welfare reform—full-employment, a guaranteed annual income, and national health care—from its platform for more modest (and vague) objectives (Rothenberg, 1984; pp. 244–245). Even Democrats schooled in federal social programs admitted that their ideas were out of sync with current events. "The New Deal will live in American history forever as a supreme example of government responsiveness to the times," acknowledged Ted Kennedy before the Woman's National Democratic Club, "But it is no answer to the problems of today" (Broder, 1988, p. 25A). By the end of the 1980s, many Democrats of national stature could be identified as neoliberal—Richard Gebhardt, Charles Robb, Albert Gore, Jr., Bill Bradley, and Tim Wirth. Without the vocal support of the Democratic party, the prospects for major governmental welfare initiatives faded rapidly.

If Democratic presidential reversals were not enough, the Gramm-Rudman-Hollings Deficit Reduction Act precluded launching new social programs. Daniel Patrick Moynihan has gone so far as to suggest that the budget deficit was a deliberate contrivance on the part of the Reagan administration to cap popular social programs that had been consistently defended by Congress, concluding that the budget deficit would "virtually paralyze American national government" for the next several years (1988, p. 293). A deficit-driven budget meant that not only were new welfare initiatives which required additional funds unlikely in the foreseeable future, but also that further cuts in social programs were probable. In 1987, for example, \$23 billion was cut from government expenditures, half from domestic programs, an amount that is likely to increase in subsequent years. "Through the creation of a national debt exceeding \$2 trillion," observed Thomas Edsall of the *Washington Post*, "a Republican White House has severely restricted the ability of the Democratic opposition to restore action and vitality to its own agenda" (1988, p. 49). Unable to borrow money to float new social programs

because of the deficit, Democrats are forced to consider across-the-board tax increases, an implausible alternative for a working public that is already strapped financially. The budget deficit served as the rationale for freezing social programs and effectively straight-jacketed the welfare state.

Welfare Reform, 1988

The forces that have constricted the welfare state help explain the marginal—if not regressive—changes in public welfare enacted through the Family Support Act of 1988.² Heralded by Thomas Downey, chair of the House subcommittee on public assistance, as “the most significant change in the welfare system since its inception over 53 years ago” (Eaton, 1988, p. 15), the Family Support Act essentially changed the Aid to Families with Dependent Children (AFDC) from an income support to a mandatory work and training program. The Act requires states to develop workfare programs which compel women on welfare with children under 3 (at state option, age 1) to participate in a work and training program. By 1990, each state will be required to enroll at least 7% of its recipients (by 1995 the required enrollment will rise to 20%) in a state basic education, job training, work experience, or a job search program. Adoption of the AFDC-UP (Unemployed Parent) program will become mandatory for all states, although states can decide to limit enrollment for two-parent families to six out of twelve calendar months in a year. Beginning in 1992, one family member of an AFDC-UP household will be required to participate at least 16 hours per week in an unpaid make-work job in return for benefits. Although initially only 40% of AFDC-UP recipients will be expected to be in a make-work program, by 1997 that number is slated to increase to 70%. The Act also provides transitional benefits—eligibility for day care grants and Medicaid—for one year after leaving AFDC for private employment (*Family Support Act of 1988*). Dan Rostenkowski, chair of the House Ways and Means Committee which oversees most welfare legislation, estimated that an additional 65,000 two-parent families would receive benefits, that 400,000 people would participate in workfare by 1993, and that 475,000 would be eligible for transitional Medicaid benefits under provisions of the Act (Rich, 1988).³

Yet, despite the fanfare, the Family Support Act of 1988 hardly

qualifies as "reform", particularly when compared to those of the New Deal and the Great Society. Perhaps the clearest illustration of the inadequacy of the Act is found in the substantial loss of income to AFDC families since the War on Poverty. From 1970 to 1988, the effect of inflation lowered the median state's AFDC benefit by 35% (Committee on Ways and Means, 1988: 415). In other words, had AFDC simply remained constant with inflation, beneficiaries in 1988 would have received about \$5.88 billion more than what they are getting.⁴ The Family Support Act proposes, in effect, to "reallocate" over a five year span only 57% of this lost income (\$3.34 billion) back to the poor, primarily through compulsory workfare. For the welfare poor, welfare reform in 1988 represents little more than diverting a portion of the income supplement lost since 1970 to welfare managers who operate stringent workfare programs.

Nor does the Family Support Act adequately address the realities of the working poor. The Act is grounded in a debatable premise—that those on AFDC can become totally independent of public assistance through workfare. Here the expectations of proponents of the Act are frustrated by the ubiquitous, secondary labor market. For the working poor who are dependent on a service-oriented economy, complete self-sufficiency remains an elusive if not unreachable goal. If 44% of the new jobs created during the recent economic recovery are part-time service-sector jobs that pay less than \$7,400 per year, how many of the working poor can become truly independent of welfare (Compa, 1985, p. C1)? The great majority of people on AFDC exhibit a job history in which welfare complements episodic and low-wage employment. In light of this, the Family Support Act will extend important benefits to the working poor who are upwardly mobile, but it is unlikely to boost but a few recipients off of welfare altogether. "Most work-welfare programs look like decent investments, but no carefully evaluated work-welfare programs have done more than put a tiny dent in the welfare caseloads," concluded David Ellwood of Harvard's Kennedy School of Government. Results of various workfare experiments show that "annual earnings are raised \$200 to \$750," noted Ellwood, hardly enough to vault AFDC families out of poverty and toward self-sufficiency (1988, p. 153).

Ultimately, the Family Support Act does little to alleviate the

magnitude of the economic and social dislocation of America's poorest communities. That the Act provides additional assistance to approximately 1 million of the poor, seems inadequate considering the 30 million Americans with incomes below the poverty level in 1988 (*Statistical Abstract of the United States, 1988*, p. 433). That the Act requires a relatively small portion of female heads-of-households to engage in workfare, seems futile considering the precipitous drop in life opportunities in the nation's economic backwaters. With increasing frequency, social observers have identified an American "underclass"—a growing population which is trapped by economic stagnation, occupational immobility, and self-destructive behavior—that seems resistant to the both the incentives and penalties of conventional social programs (Glasgow, 1981; Auletta, 1982; Reischauer, 1987; Wilson, 1987, 1988). For these most vulnerable Americans, the Family Support Act is virtually irrelevant.

Reclaiming the Welfare State

Clearly, the Family Support Act is a poor exemplar of welfare reform. Its provisions are inadequate for the relatively small number of AFDC beneficiaries for whom it is intended, to say nothing of the majority of the poor. Indeed, there is much more reform that is necessary for social welfare to be a viable cultural institution. Rather than resort to the old formulas of the New Deal (epitomized by Ronald Reagan's partial recollection of Harry Hopkins' dictum: "tax, tax; spend, spend; elect and elect"), the charge to human service professionals today is to configure a social welfare institution that conforms to a post-industrial capitalist economy in which life circumstances of the poor are rapidly deteriorating. The challenge here is no less than the reconstruction of a social institution around a new set of precepts.

Productivity

It is essential to demonstrate how social programs contribute to the nation's productivity, rather than being a drag on the economy. After decades of aversion, liberals are no longer treating "work" as if it were a four-letter word, but they need to go well beyond workfare in reformulating welfare. Universalizing benefits, such as health care and child care, for all who partic-

ipate in the labor market is not only justifiable, but also shows middle-income workers that social programs enhance the nation's competitiveness. Funding of workfare through the Family Support Act and child day care proposals given serious consideration by the 100th Congress (one by Orrin Hatch!) indicate that additional funding for social programs can be had by coupling social welfare to economic productivity.

Reciprocity

Since Lawrence Mead's *Beyond Entitlement* (1986), the idea that welfare beneficiaries owe a standard of conduct in exchange for receipt of public assistance has become a basis for welfare policy. It is time to expand the idea of social obligation between social classes to include those who are better-off. Upper- and middle-income groups should be encouraged, through economic incentives or appeals to altruism, to fulfill their social obligation toward the less-fortunate in more meaningful ways than paying taxes. The civic mindedness of both the poor and the well-to-do is essential to both democratic government and a free society. Recent discussions of a voluntary national service reflect the concern of many that social obligation is not a responsibility of the poor alone (Rothenberg, 1984; Noah, 1986; Moskos, 1988).

Community

Despite lip-service to "mediating structures"—family, neighborhood, church, and voluntary association (Berger and Neuhaus, 1977)—social policy of the last decade has extracted a dreadful toll on social institutions in poor communities. The failure of the Reagan administration to convince Congress to approve its Urban Enterprise Zone plan, while it proceeded to gut Urban/Community Development Action Grant programs, has left a vacuum in community development policy. While many states and cities have attempted to compensate for the absence of federal leadership by establishing their own programs, often with the assistance of nonprofit groups, those with a deteriorating economic base are ill-prepared to deal with the social and economic debris of underclass communities. The restoration of social institutions in poor communities should be a priority of future welfare initiatives.

Privatization

If government is to carry less of a welfare burden that is increasing, it must transfer some of the load to the private sector. "Privatization", unfortunately, is one of the more misunderstood terms of the decade, having been defined as the cashing out of public commodities for private entrepreneurs (Linowes, 1988). Yet, since de Tocqueville, much of what we identify as unique about America—from metropolitan museums to the civil rights movement—has been attributed to the voluntary initiatives of private groups of individuals (Gardner, 1978, p. 13). Today, many of the pioneering projects around social problems that are too sensitive to attract broad public support or that serve those who do not represent profit margins—patients with Acquired Immune Deficiency Syndrome, the homeless, and refugees—are managed under private, nonprofit auspices. On the other hand, a new generation of corporations has emerged specializing in human services, such as hospitalization, long-term care, corrections, and child day care (Stoesz, 1986b). For social welfare advocates who believe that the corporation is the institutional manifestation of a capitalist economy which generates many social problems for which welfare programs are then necessary, the human service corporation is an oxymoron. Rather than reject outright the for-profit provision of social welfare, human service professionals would be more effective if they were to acknowledge that millions of Americans now receive health and welfare benefits from proprietary firms. Instead of viewing capitalism—and privatization, for that matter—as "the problem", welfare advocates should view the nation's economic base as a premise upon which to conceive of creative solutions to social welfare needs. Following from this is a central question: what is the social carrying capacity of a market economy?

The precepts of productivity, reciprocity, community, and privatization provide benchmarks around which future thinking about American social welfare can be organized. While some of these terms have been used by conservatives to make the case against New Deal-type welfare programs, they also present opportunities to recast social welfare in a form that is more consonant with the American experience. The following strategies

suggest how productivity, reciprocity, community, and privatization can help reclaim the welfare state.

Strategies

Voluntarization The institutional origins of social welfare in the United States are reflected in the myriad nonprofit agencies of the voluntary sector. Nonprofit social agencies offer virtues that strike a chord with most Americans—local control, neighborliness, and community well-being. Yet, these organizations are besieged by increased demand for service while government support has ebbed. Between 1977 and 1984 government funding of nonprofit social service agencies dropped from 53.5 to 43.9% of their revenues (Hodgkinson and Weitzman, 1986, pp. 119–120). In actual dollars, the loss was particularly acute during the latter part of this period. According to an Urban Institute study, federal funds to programs in which nonprofit agencies had been active (excluding Medicare and Medicaid) were reduced by about \$26 billion each year between 1982 and 1984. Yet, fund raising by nonprofits the following year recouped only one-eighth of that amount (Independent Sector, 1986, p. 2). Traditionally, the voluntary sector has relied on individual and corporate contributions to balance governmental aid, but neither promises to offset the loss of governmental revenues. Individual contributions are unlikely to increase substantially, since half of all charitable giving to nonprofits comes from families making less than \$25,000 per year (O'Connell, 1984, p. 2)—families whose income has failed to increase since the mid-1970s. Corporate contributions flagged with the October 19, 1987 stock market crash (Skrzycki, 1988). Facing a probable recession after so many years of expansion, few corporate directors are willing to risk capital reserves to bail-out the nonprofit sector. Compounding the loss of fiscal support, the voluntary sector faces the competition of the for-profit, corporate which has begun to exploit markets in areas traditionally served by nonprofits. Health care, nursing home, child care, and recreation businesses have begun competing in the same markets served by voluntary agencies, in some cases complaining that nonprofits enjoy an unfair competitive advantage because they are tax exempt. Such accusa-

tions eventually led the House Ways and Means Committee to investigate ways to limit the entrepreneurial behavior of nonprofits, an untimely event considering the fiscal dilemma faced by the voluntary sector.

Revitalizing the voluntary sector will require several changes in social and economic policy. Foremost, people should be given incentives to contribute to local, nonprofit social service agencies. The most immediate way to do this is to restore the deduction for charitable organizations by nonitemizing taxpayers, which was withdrawn by the Tax Reform Act of 1986. If voluntary agencies are to fill the void left by government cuts in welfare expenditures, however, it will be necessary to raise more revenues than deducted contributions would produce; thus, the individual deductions should be changed by a partial tax credit. The relationship between altruistic citizens and nonprofit social service agencies could be strengthened by rewarding those who commit substantial time as volunteers. For all practical purposes, these volunteers become quasi-employees, often assuming a function that cannot be provided by a salaried employee because of inadequate agency funding. Persons committing more than 30 hours per month to a tax exempt social service agency should be able to establish Volunteer Tax Credit Accounts which would allow them to deduct a portion of the economic equivalent of their volunteering (based on current employment) against their tax liability.

Finally, the relationship between nonprofit and for-profit organizations must be clarified. If government is to rely on organizations of both auspices to provide social welfare services, it is important to account for the volume of tax dollars transferred to each sector. In instances where organizations of both sectors compete in the same market, a nominal tax should be levied against proprietary firms since they tend to skim more profitable clients from a market, leaving the more troubled portion of the population to nonprofit agencies. If the voluntary sector is to survive a post-industrial environment in which government and corporate bureaucracies dominate, its function must be clarified and enhanced.

Access to services. To the extent that the private sector assumes more of the responsibility for welfare, it is essential to assure that people have the right to access to services. For-profit

health and welfare firms have discriminated against people with complex problems and who are dependent on government insurance. Instances of preferential selection (when providers skim more treatable, less costly clients for care) and dumping (when indigent clients are capriciously transferred to public agencies without provision of necessary care) have been documented (Stoesz, 1986a). Even voluntary sector agencies have been criticized for avoiding multiproblem clients (Cloward and Epstein, 1965).

Severe penalties should be levied against private sector service providers which discriminate against clients who have public sponsorship. This is a fair price to pay on the part of proprietary firms who are profiting from human misfortune. Parenthetically, modest regulation would correct market incentives which now tend to disadvantage a provider willing to serve a disproportionate number of high-cost clients by spreading the obligation among all providers. A nondiscriminatory requirement would be incontrovertible for voluntary sector agencies who profess primary concern for community welfare in order to become tax-exempt. Nonprofits that demonstrate a pattern of discrimination would lose their tax-exempt status.

As a related measure, a nondiscriminatory clause should be included in professional licensing standards. Professions are granted the exclusive right to use particular skills by the state—the professional monopoly—in exchange for the assurance that service to the community will be a priority in the deployment of said skills. For some time, the community's welfare has suffered as some professionals have used the freedom to practice as license for personal aggrandizement. Flagrant disregard of the interests of the broader community are no less than a violation of the social contract between the profession and the state. When human service professions cease to function in the interest of the society, the state reserves the authority to oblige them to do so. If a licensing authority determines that a human service professional shows a pattern of discriminatory practice against certain people seeking and eligible for care, that provider's license to practice should be revoked. Penalties exist regarding access to education, housing, and employment; social welfare should be included.

Social choice. Since World War II, we have seen a slow pro-

gression in choices available to populations often associated with welfare programs. The GI Bill offered returning veterans a choice of educational providers. Significantly, Blacks used their GI benefits more than other groups (O'Neill, 1977). Medicaid, enacted during the War on Poverty, provided poor people with access to health care they had not had theretofore (Rogers, et al., 1982). By the 1980s, Medicaid recipients, for the first time, were using health services at the same rate as their middle-class compatriots. Section 8 of the 1974 Housing and Community Development Act offered thousands of poor people the opportunity to escape the gulags of public housing (Palley and Palley, 1977). There is no reason why social services should not be added to the choices extended to welfare beneficiaries in these other areas (Stoesz, 1988).

Social service vouchers would allow welfare clients to shop for services in the same way that someone from the middle class has been able to select the psychiatrist, psychologist, or social worker whom they think is most useful. Under a voucher arrangement, clients eligible for public social services would be given vouchers authorizing service providers to bill the welfare department for services provided. Service providers from the private sector would be required to meet standards established by government for reimbursement purposes. Because the kind of service needed by welfare beneficiaries varies widely, a payment schedule, similar to the Diagnosis Related Groups established by Medicare, would be developed. Rates would be negotiated annually between providers and the welfare department.

In addition to increasing the choices available to welfare recipients, social service vouchers offer other benefits. Vouchers would allow indigenous service organizations the financial support that they would otherwise lack. Modest but effective efforts, such as the Chicago school founded by Marva Collins to educate inner city youth, and the Philadelphia youth center begun by Sister Falaka Fattah to redirect delinquents (Murray, 1984, p. 232), would be free to provide services relevant to community needs and be reimbursed according to actual usage by clients. For committed human service professionals hampered by the meetings and paperwork required by the welfare bureaucracy,

vouchers provide a means to encourage innovative approaches for working with the welfare population.

Social Control. Public credibility of welfare has diminished as social policies fail to deal effectively with people identified as being unable to care for themselves or capable of doing harm to others. Unavoidably, welfare professionals are held responsible by the public when people known to welfare officials engage in life-threatening behavior. Two current problems illustrate this: homelessness and child abuse. As a result of deinstitutionalization, thousands of psychiatric patients were discharged from state hospitals to often nonexistent community programs during the 1970s. Unable to maintain themselves independently, ex-patients have become a prominent part of the urban landscape as homeless street people. A series of legal decisions exacerbated the inability of former mental patients to get the help they needed. Of these, Alan Stone, a psychiatrist and professor in the Harvard University Law School, candidly suggested that the true symbol of the Supreme Court *Donaldson* decision was none other than the "bag lady" (Stone, 1984, p. 117).

The social control issue contributes to what has become crisis in child protective services (CPS). Douglas Besharov, a social worker and fellow of the American Enterprise Institute, noted that "of the 1,000 children who die under circumstances suggestive of parental maltreatment each year, between 35 and 50 percent were previously reported to child protective agencies" (1987, p. 7). Larry Brown, author of the American Humane Association standards for CPS, observed that "the biggest indictment of [CPS] today is that there are plenty of children in the system whose victimization is not treated appropriately" (1987, p. 21). In 1988, the situation regarding CPS had degenerated to the point that the Supreme Court agreed to determine if governments were liable for the failure of CPS workers to discharge their duties properly (National Association of Social Workers, 1988).

A solution to these difficulties is simply to consider life-threatening behavior a public safety problem, rather than a welfare problem. Accordingly, child and adult protective service workers should be transferred to the police department where they would work with police officers in social intervention teams. What little evidence exists suggests that for relatively modest

investment, police-social work teams can be established and that they can effectively manage a wide range of problems that welfare departments are not prepared for (Treger, 1975).

A review of the social control issue is likely to aggravate relations between welfare professionals and legal advocates representing clients' rights and civil liberties groups. During the last two decades, attorneys have used the courts effectively to protect clients against neglectful and harmful welfare institutions. Unfortunately, legal decisions—and the courts, themselves—have not had the authority to require changes in administration practices and institutional funding to remediate these injustices. Consequently, clients now have established rights regarding treatment, but states remain free not to fund necessary services. The result is a stalemate to which only the most callous can remain indifferent. To reassert the human rights of clients in a system in which civil rights have dominated will require certitude about the social consequences of ill-conceived legalisms. However, human service professionals have little choice but to participate vigorously in the debate—their public credibility is at stake, as is the welfare of their clients. Civil rights at the expense of human rights is no virtue; it is inhumane.

Social obligation. In the past, welfare professionals justified taxing some in order to provide welfare benefits to others on the basis that a particular status entitled someone to benefits. When resources are scarce, however, unconditional welfare is perceived by the public as wasteful. Worse, unconditional welfare is popularly viewed as eroding individual initiative necessary for self-support. Programs that provide unconditional payments—the means-tested programs, such as AFDC—have taken a drubbing largely because they have been associated with welfare dependency (Anderson, 1980; Murray, 1984). Despite evidence that only a small minority of welfare beneficiaries are generational recipients (Committee on Ways and Means, 1985, pp. 43–47), the fact that some are is unacceptable in an era of fiscal belt-tightening. Further, increases in unwed parenthood, particularly among black teenagers, raise a fundamental question about the relationship between welfare grants and family stability. Whatever the causes for the rise in adolescent parenthood, the consequences are clear—a lower probability that par-

ents will be able to support themselves through work and a higher probability that mother and child will have to rely on welfare for support. Welfare advocates have been implicated in this social tragedy because they have not included reciprocity—that a standard of conduct is a condition of eligibility for benefits—in social welfare policies (Mead, 1986; Butler, 1987).

During the last decade, a series of community work experience programs administered by the Manpower Demonstration Research Corporation (MDRC) showed that workfare could prove an effective strategy for reducing welfare costs, depending on the presence of supports for job-training and employment, as well as the availability of nearby jobs. Much to the credit of Judith Gueron, president of MDRC, the conclusions of the early workfare demonstrations were presented with cautions against broad generalizations about weaning large numbers of families from public assistance (Gueron, 1986). However, a recent analysis of five workfare experiments generated a surprising finding: the most-dependent AFDC recipients—those with no pre-assistance earnings and on public assistance for more than 2 years—showed the greatest savings from participation in workfare because they customarily consume a greater portion of welfare resources. In other words, workfare focusing on the hard-core welfare dependent can result in greater savings than workfare designed for AFDC recipients possessing more employment assets (Friedlander, 1988).

The Family Support Act of 1988, of course, incorporates a workfare requirement for parents with older children; but, beyond that, addresses the social obligation of the poor inadequately. There are multiple exemptions to participation of AFDC recipients in workfare, and states will be free to cut-off AFDC-UP families for six months each year and require one parent of AFDC-UP families to engage in make-work 2 days each week during periods of eligibility. A serious deficiency of the workfare component of the Family Support Act is that, aside from engaging in job-seeking activity, there is no expectation about what employment is ultimately desired. "In structuring jobs programs, policymakers have paid insufficient attention to the types of service performed," argues Charles Moskos; "Only when training programs involve young adults in the delivery of vital

services to the community can they hope to inculcate the values that make for good citizenship" (1988, p. 90). McJobs will not solve the underclass problem.

Incorporating civic content in workfare could be accomplished by allowing welfare beneficiaries to select a community development agency to which their benefits would be assigned. In order to collect benefits, those on welfare would have to engage in job-like tasks identified by the community development agency. Community development entities would be nonprofit organizations meeting standards of the welfare department relating to personnel and benefit management, but would otherwise be free to define community development projects and assign beneficiaries to them. In contrast to the dependency associated with public welfare, beneficiaries would be treated like employees of the community development agency. Although still receiving public assistance, beneficiaries could develop a track-record that would be of use in the private labor market. "You cannot get good at welfare," William Raspberry shrewdly observed.

"It does no good for a welfare mother to impress her caseworker with her quick grasp of her sense of responsibility or her willingness to take on an extra task. There is no way for a welfare client to distinguish himself, in any economically useful way, from any other welfare client. There are no promotions on welfare" (1988, p. A15).

In order to encourage responsiveness of community development agencies toward beneficiaries, welfare recipients should have a choice among community development agencies in which to enroll. Once enrolled, beneficiaries could transfer to another community development agency—or to other employment—much like employees change jobs in the labor market. Such an arrangement would assure a measure of social responsibility on the part of welfare beneficiaries in a way that directly benefits the communities in which they live. Community-centered workfare would address Barbara Ehrenreich's contention that to rebuild the community in America, "we need a tough-minded communitarianism that goes beyond coziness" (1988, p. 21).

Transitional benefits. A focus on social obligation promises

a future of marginal employment at dead-end jobs without a corresponding emphasis on transitional benefits. If people are to escape the "poverty trap," they must have incentives to do so. Currently, the low-pay and absence of benefits that typify work in the secondary labor market fail to do this. As a result, welfare programs often take the place of benefits that should be provided by employers. Consideration of the relationship between public welfare and employment is frequently limited to questions of continued eligibility for welfare while working. If welfare beneficiaries are to make the transition to employment, however, the private sector should be expected to finance its share of the benefits that often make that possible. Current practices of denying benefits to part-time workers, yet structuring employment around part-time work, is a disincentive for workers to view work as a basis for livelihood. This is a critical issue for many poor adolescents who populate the counters of fast-food franchises and convenience stores, which have prospered from exploitation of the secondary labor market.

Ultimately, adequate transitional benefits would assure all workers that minimum health, child care, and leave allowances would be credited to their portable accounts. The Family Support Act provides Medicaid and child care benefits for workfare participants for one year of entering the labor market, but thereafter such benefits are terminated. A further proposal in this direction is the Minimum Health Benefits for All Workers Act submitted to the 100th Congress by Ted Kennedy. This plan would enroll workers of at least 17.5 hours per week in a "minimum benefit plan that covers specific basic health services and provides protection against catastrophic out-of-pocket expenses," financed through a fund maintained by mandatory contributions from employers and employees (Committee on Labor and Human resources, 1988, p. 2). Unfortunately, this proposal is limited to health care. A more direct approach would be to levy an ear-marked tax on sales of businesses using a high proportion of part-time workers, which would be pooled to finance a health, child care, and leave a benefit package for workers that would be portable, allowing them to add benefits for future use.

Transitional benefits are necessary for poor workers retiring

from the labor force, too. Data provided by the Employee Benefit and Research Institute show that workers earning less than \$10,000 per year represent 37% of all tax returns, yet only 5% of returns with Individual Retirement Account (IRA) deductions, and only 3% of total contributions to IRAs (Falk and Schmitt, 1985, p. 8). Clearly, pension policies have not encouraged lower-income workers to plan for their retirement, leaving Social Security as the sole base of economic support. A transitional benefit policy would use credit, rather than deductions to adjusted gross income, as the basis for calculating contributions to an IRA and by instituting a progressive schedule whereby more credit is allowed for the smaller contributions likely to come from lower-income workers and less credit for the larger contributions from generally higher-income contributors. A progressively structured "poor man's" IRA would reinforce the values of hard work and thrift already evident among many of the working poor (Stoesz, et al., forthcoming).

Community enterprise. During the 1980s, the quality of life in many American communities plummeted. When Claude Brown returned to Harlem twenty years after the publication of *Manchild in the Promised Land* (1965), he was shocked at the casual viciousness of the gang members toward their victims (1984). The level of health care in inner-city areas is so inadequate that the infant mortality rate in parts of Detroit, Chicago, and the nation's capitol is equal to that of third-world countries (Newland, 1981). "In many if not most of our major cities, we are facing something very like social regression," wrote Daniel Patrick Moynihan. "It is defined by extraordinary levels of self-destructive behavior, interpersonal violence, and social class separation intensive in some groups, extensive in others" (1988, p. 291). The social pathology precipitated by economic dislocation has not been ameliorated by policies of the Reagan administration. Without a strong community development initiative, the administration has had to rely on economic growth as a vehicle for benefitting lower-income workers, but the trickle-down has been mere seepage. Sar Levitan, director of the Center for Social Policy Studies at George Washington University, estimates that 20 to 30 million people have been bypassed by the economic recovery (Pear, 1986).

To strengthen poor communities a Community Enterprise Zone (CEZ) program should be created which would provide technical assistance and time-limited grants for the purpose of generating basic commodities, such as jobs and housing. The geographic basis of a CEZ would be an economic catchment area of from 4,000 to 50,000 population to accomodate rural and urban environments. Eligibility for community development grants would depend on the social and economic conditions of the catchment area as determined by specific socio-economic indicators—incidence of poverty, unemployment, and business closings. Catchment areas in which the rates for two of these three indicators exceeded one standard deviation above the national average would be eligible for benefits.

Two types of aid would be provided to communities. For those in which the infrastructure has deteriorated substantially, CEZ benefits would consist of technical assistance and development grants. Rather than provide assistance directly, government would contract services from those organizations which have established a successful track-record in economic development, such as the Enterprise Foundation or the Local Initiatives Support Corporation. For communities experiencing acute dislocation, a system of incentives, including tax credits, would be instituted to retain and promote entrepreneurial activity.

Funding for the CEZ program would be derived from a "Community Enterprise Zone Insurance Fund" created by taxing public and private construction. In 1986, for example, a 2% tax on construction in the United States would have netted \$77.7 billion, more than the amount identified by Jesse Jackson during his 1988 presidential campaign as necessary for domestic economic development and neighborhood revitalization (Shaughnessy, 1988). In effect, CEZ funding would insure communities against economic distress. Since benefits would be drawn from a self-financing insurance fund, they would not be as vulnerable to budget recissions imposed on programs that are dependent on general revenues.

The purpose of CEZs would be to trap capital and skills in communities which often lose these vital elements during deep recessions (Stoesz, 1985). Community development credit unions could not only manage accounts but also provide technical as-

sistance for projects. If workfare were operated through community development agencies, AFDC recipients could provide some of the labor for CEZ projects. A community development strategy, in other words, could rebuild communities and empower people who live in them.

National Service. If social welfare is to function as a unifying institution, it must draw together the social classes of America. In 1960, John F. Kennedy sparked the idealism of young Americans by giving them the opportunity to help others through a short-term commitment to live and work in disadvantaged communities. The Peace Corps, and later VISTA, provided many poor communities abroad and in the United States with technical assistance they could not have otherwise afforded, and it provided young people with an exposure to other peoples they would never have encountered. By 1987, 6 states had deployed conservation services, the most well-known being the California Conservation Corps (Moskos, 1988, p. 64). The popular support these programs have enjoyed indicates that a range of income groups would participate in a national service program.

A national services corps, according to a proposal fielded by Charles Moskos, would allow volunteers to elect one-year stints in a nationwide program for which they would be paid \$100 per week plus benefits, and upon completion of service be eligible for "generous postservice educational and job training benefits." Enrolling approximately 600,000 youth (excluding those enlisting in the military), a national service corps would make a substantial contribution toward reconstructing distressed communities. Volunteers would engage in such activities as establishing tutorial programs for school children, helping residents in slums rehabilitate housing, assist the frail elderly who need assistance if they are to stay out of nursing homes, and organizing child care services, among others. Approximately half of the budget for the Moskos proposal of \$7 billion could be derived from consolidating current jobs and training programs (1988, pp. 155-160), the remainder from CEZ appropriations.

A national service corps is appealing for several reasons. It would make available to hard-pressed communities personnel that they would not otherwise attract. Significantly, national ser-

vice would expose affluent volunteers to circumstances of their less well-off compatriots, and it would demonstrate to less-advantaged Americans that others are not indifferent to their plight. Perhaps most significantly, a national service provides an essential function for a political-economy that constantly pushes the social classes apart—"increasing the variety of class mixing situations" (Noah, 1986, p. 38). A national service also complements the need to reinvigorate the voluntary sector. "With our own tradition of voluntary organizations," noted Moskos, "coupled with comprehensive national service, we could set our country on an entirely new course of effective yet affordable delivery of human services" (1988, p. 154).

Conclusion

What is the feasibility of evolving a new paradigm for social welfare? Public opinion research suggests that the prospects of reclaiming the welfare state are actually quite good. Most Americans, perhaps 70%, support social programs that help the poor, although they balk at subsidizing a governmental bureaucracy that is associated with expensive and wasteful welfare programs ("The Public's Agenda," 1987). In order to capitalize on such public sentiment, however, proponents of the welfare state must get beyond the intuitive response of defending programs grounded in the New Deal, and begin to reconceptualize social programs so that they reflect the social, political, and economic imperatives of contemporary American culture. In this regard, the Family Support Act is more a lesson in the consequence of pallid imagination than it represents welfare "reform" in any real sense. Still, the future of the American welfare state rests with the capacity of those who profess to help the disadvantaged to conceive of new ways to serve the public interest.

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Notes

1. As used here the term “paradigm” refers to a system of propositions professed by most members of a discipline. This is similar to the usage of T. S. Kuhn, whose work popularized the term (*The Structure of Scientific Revolutions* [Chicago: University of Chicago Press, 1956]). Kuhn’s book sparked a flurry of works. For a review of the paradigm concept in the social sciences, see the second chapter of Gary Gutting (ed.) *Paradigms and Revolutions* (Notre Dame: University of Notre Dame Press, 1980).
2. The author acknowledges the contribution of Howard Jacob Karger of Louisiana State University in the development of this segment of the paper.
3. The Family Support Act also toughens child support enforcement, among other provisions.
4. This amount is based on the 1988 expenditures for AFDC (House Ways and Means Committee, *Background Material and Data on Programs within the Jurisdiction of the Committee on Ways and Means* (Washington, D.C.: U.S Government Printing Office, 1988): 412.

Welfare Reform: One State's Alternative

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Welfare reform has received a great deal of public attention in recent months. Historically, many states have enacted welfare reform legislation, with mixed reviews. The Commonwealth of Pennsylvania implemented a Welfare Reform Act in 1982 which reduced the able-bodied General Assistance population to a maximum of 90 days of cash assistance in any twelve-month period. This study describes the previous occupations of a segment of the Transitionally Needy in Philadelphia, the Transitionally Needy who did and did not find work, and how many were still receiving some form of in-kind benefits after discontinuance of cash assistance.

Although welfare reform is currently being discussed and implemented on federal, state and local levels of government, it is not a new idea. Welfare reform has long played a major role in the history of the United States' welfare system, and its historical philosophy has been based on differentiating between the poor who are unable to work, classified at various times as "deserving poor" or "truly needy," and those who can work: the "able-bodied," "undeserving" or "employable poor". This philosophical differentiation has influenced the development and implementation of past social welfare policy. This article reviews how the Commonwealth of Pennsylvania has implemented welfare reform policy for a portion of its able-bodied poor, and describes the employment experiences of a segment of the able-bodied welfare population.

The Influence of the Reagan Philosophy on Pennsylvania Welfare Reform

In 1980, the Reagan Administration took the position that the federal government could not perform social welfare functions as well as state and local governments (Emling, 1983). A

goal stated in the Health and Human Services Budget of 1982 was a federal commitment to protecting those most in need through the so-called "safety net" programs of Medicare, Social Security, Unemployment Insurance, AFDC, SSI, and social obligations to veterans (Emling). The administration wanted a sharper line drawn between those who could work, the able-bodied, and those who could not work, the truly needy. The primary means of reform was to increase the emphasis on the employability of welfare recipients through the development of a variety of work programs.

The Reagan philosophy exerted a strong influence on states in their development of welfare reform legislation. As a reaction to increased expenditures for General Assistance by some states, various welfare reform programs were undertaken for able-bodied recipients of General Assistance. In some instances, states enforced strict work requirements, including increased client activity in Community Work Experience Programs, job search and job readiness programs, vocational and remedial education programs and job placement. As a result of these changes, more emphasis was placed on discontinuing and reducing welfare cash grants for clients who failed to comply with work requirements.

In 1981, Pennsylvania Governor Richard Thornburgh stated that since General Assistance encouraged dependence by providing an alternative to work without a work incentive, those individuals who were able to work would be taken off the cycle of welfare dependence and placed into jobs. The Governor believed that a labor market existed for the employment of General Assistance recipients who were considered able-bodied (Commonwealth of Pennsylvania, Welfare Reform, 1982).

On March 23, 1981, House Bill 720, which was to become the Welfare Reform Act of 1982, was introduced in the Commonwealth of Pennsylvania House of Representatives (History of House Bills, 1982). When voting for this act, one legislator stated, "We are taking care of the truly needy, of the poor. This is the vote to test if you are for welfare reform or not, to take the chiselers, the people from Alabama who come up and apply (sic) take them off the rolls and put welfare into the perspective of what it should be." (Legislative Journal of the House, Part 3,

1982). Specifically, the development of the Act was based on the view that welfare reform was necessary due to fraud and abuse in the state welfare system, a need to reallocate scarce welfare resources to those most in need, and a belief that those who are able to work, should work.

For the most part, opinion regarding this bill was divided along party lines—Republicans were enthusiastically in favor of the bill, while Democrats were decidedly against it. House Bill 720 was signed into law by Governor Thornburgh on April 8, 1982 (Legislative Journal, Part 3, 1982).

The Welfare Reform Act of 1982 in Pennsylvania

The rationale for the Act was that there were some individuals who could find jobs and for whom welfare was hampering their desire to find work. The underlying assumption was that this population was employable and therefore should be able to find employment.

The major change made by the Welfare Reform Act of 1982 was the division of the General Assistance population into two distinct groups: the Chronically Needy and the Transitionally Needy. The Chronically Needy would be entitled to General Assistance cash benefits for as long as they fit the established criteria, while those classified as Transitionally Needy, those between the ages of 18 and 45 and considered able to work (able-bodied), would be eligible for General Assistance cash benefits for only 90 days in any 12 month period (Department of Public Welfare, Status Report, 1982).

Eligibility for cash assistance under the General Assistance category is based on a means test which requires that the welfare recipient complete a welfare application. Eligibility for General Assistance is assessed by a caseworker and is based upon criteria that include the client's physical and mental condition, age, number of dependents, income, and work record. If the client is eligible for assistance, the caseworker also determines whether the client will be classified as Chronically or Transitionally Needy.

The Chronically Needy are considered indefinitely or truly needy individuals eligible to receive cash payments under General Assistance who, due to medical or social difficulties, are not able to work as are the Transitionally Needy (Purdon's Pennsyl-

vania Statutes Annotated, 1982). To be classified as chronically in need, a person applying for General Assistance must conform to one or more of the following categories: (a) under 18 or over 45 years of age; (b) 19 years of age or under and attending secondary or vocational school full-time; (c) has a physical or mental handicap which prevents him or her from working; (d) suffering from drug or alcohol abuse and actively undergoing treatment; (e) employed full-time but who does not have earnings in excess of the current levels for eligibility for General Assistance; (f) ineligible for unemployment and whose income falls below the assistance allowance because of a natural disaster; (g) employed full-time for at least 48 months out of the previous eight years and who has exhausted his or her unemployment benefits (Purdon's Pennsylvania Statutes Annotated, 1982). Redeterminations of Chronically Needy status are conducted on an annual basis by a Department of Public Welfare caseworker (Purdon's Pennsylvania Statutes Annotated, 1982).

The Transitionally Needy consist of those eligible for General Assistance who do not have any of the characteristics that would make them eligible for Chronically Needy status. Two programs are used to service the Transitionally Needy in finding employment. These programs are the Pennsylvania Employables Program (PEP) and the Community Work Experience Program (CWEP). PEP provides assistance to the Transitionally Needy in finding employment. This program is available to the Transitionally Needy during the time they are on General Assistance as well as after discontinuance. The Community Work Experience Program (CWEP) requires able-bodied recipients to accept public work assignments in exchange for their General Assistance benefits. This program is available to the Transitionally Needy only during the 90 days on cash assistance. It is mandatory that the Transitionally Needy participate in these two programs during the 90 day period. At the completion of the 90 days, the Transitionally Needy are still eligible to receive in-kind benefits of Food Stamps and Medicaid.

Since the passage of the Act, some of those previously dependent upon General Assistance and considered able to work have become ineligible for cash assistance for 9 months out of every 12. Consequently, for the purposes of this study, the re-

search question was: as a result of the Welfare Reform Act of 1982, what changes have taken place in the employment opportunities of the Transitionally Needy in Philadelphia?

Method

A random sample of 113 Transitionally Needy persons was selected from the files of the Department of Public Welfare in the Philadelphia area in order to determine the previous occupations of the Transitionally Needy, the Transitionally Needy who did and did not find work, the amount of time those who obtained jobs remained employed, and how many were still receiving in-kind benefits after discontinuance. The names of those selected were cross-matched by the Department of Public Welfare with job information from the Bureau of Employment Security. Social security numbers were used to identify those who were working. Employer's name, length of period of employment, and wages were recorded in an automated form listing for each client. Job participation was measured by the number of quarters worked. A quarter consists of three months in a given year. If an individual worked during one quarter, he or she worked at least part of a three month period, and if an individual worked for two quarters, he or she was employed at least four but not more than six months, and so forth.

The limitations of this methodology are that there are forms of acquiring income through underground employment and illegal activities which are not, obviously, reported to the Bureau of Employment Security. Underground employment, which may consist of part-time jobs such as domestic or janitorial work for a neighbor, is not reported since it is a cash transaction and no taxes are claimed. Illegal activities such as selling contraband or numbers are not reported for obvious reasons.

Findings

Table 1 shows that over 60 percent of the Transitionally Needy in Philadelphia had either never been employed or were semi-skilled or unskilled laborers employed in service-related jobs offering limited opportunities for advancement and minimal medical benefits. The data contradict the stance taken by the Thornburgh Administration concerning the employment poten-

Table 1

Previous Occupations of the Transitionally Needy in Philadelphia

Occupation	N	Percent
<i>White Collar</i>		
Professional	2	1.8
Sales Work	5	4.4
Clerical	16	14.2
<i>Blue Collar</i>		
Craft Workers	8	7.1
Machine Operators	3	2.7
Laborers	25	22.1
Farm Laborers	3	2.7
Service Workers	19	16.8
Work Unknown	4	3.6
Employment Status Unknown	7	6.1
Never Employed	21	18.5
TOTAL	113	100

tial of the Transitionally Needy, since persons possessing these characteristics are not in demand in the present job market (Ginzberg, Mills, Owen, Sheppard, and Wachter, 1982).

As Table 2 indicates, the total number employed for one quarter or more is 42 out of the 113, while 71 of the 113 remained unemployed. However, as Table 2 points out, most participants did not find long-term employment. As the number of quarters increase, the number employed decreases with only 26 of the original 42 remaining employed after the second quarter. Consequently, sixteen individuals from the original 42 were unemployed going into the second quarter which left 26 employed for two quarters. After the end of the third quarter, 17 of the original 42 still remained employed, leaving 25 without jobs. The number of those employed for 4 quarters or more decreased dramatically. Out of the original 42 clients, only 3 remained employed beyond a year.

Table 3 indicates that 16 participants were employed one quarter, 9 were employed two quarters, 14 were employed three quarters and only 3 were employed for all four quarters. Of the

Table 2

Length of Employment of the Transitionally Needy After Discontinuance of General Assistance

	N	Percent
Participants Not Employed	71	62.9
Participants Employed One Quarter or More	42	37.1
Participants Employed Two Quarters or More	26	23
Participants Employed Three Quarters or More	17	15
Participants Employed Four Quarters	3	2.6

Table 3

Duration of Employment By Quarters

Duration of Employment	N	Percent
One Quarter	16	39
Two Quarters	9	21
Three Quarters	14	33
Four Quarters	3	7
TOTAL	42	100

42 participants in this study who found employment, the average number of quarters worked was 1.8. In addition, 22 or over 50% of the 42 employed had intermittent forms of employment, while 20 were fully employed during the quarters worked.

Table 4 indicates that 33 of the 42 individuals who were employed continued to be eligible for the in-kind programs of Food Stamps or Medical Assistance. This indicates that the employment they had obtained was insufficient to bring them above the poverty level.

Table 4

Participants Receiving Food Stamps and/or Medical Assistance and Working One to Four Quarters

	N	Percent
Participants receiving Food Stamps and Medical Assistance and working one to four quarters	20	48
Participants receiving Food Stamps only and working one to four quarters	3	7
Participants receiving Medical Assistance and working one to four quarters	10	24
Participants not receiving Food Stamps and Medical Assistance and employed one to four quarters	9	21
TOTAL	42	100

Table 5 shows that 60 of the 71 individuals who were not employed were still eligible for the in-kind benefits of Food Stamps and/or Medical Assistance.

Summary

Of the initial 113 who were discontinued from General Assistance, only 42 found employment, while 71 remained unemployed. Only 3 of the original 42 were employed beyond four quarters. An important area for further research would be to determine what percentage of those who were no longer employed reapplied for General Assistance after their nine month period of ineligibility expired. This would have occurred at the beginning of the fourth working quarter.

The average number of quarters worked was 1.8. Seventeen of the 42 were either employed part-time or only worked a portion of the quarter. This observation is based on the lower wages reported in the wage statements. Additionally, of those who did work, 33 were still eligible for Food Stamps and/or Medical As-

Table 5

Total Number of Participants Receiving Food Stamps and/or Medicaid and Not Employed

	N	Percent
The Transitionally Needy not receiving Food Stamps and Medical Assistance and not employed after discontinuance	11	16
The Transitionally Needy receiving Food Stamps and Medical Assistance and not employed after discontinuance	40	56
The Transitionally Needy receiving only Food Stamps and not employed after discontinuance	5	7
The Transitionally Needy receiving only Medical Assistance and not employed after discontinuance	15	21
TOTAL	71	100

sistance, which indicates that the income received from wages reported was not above the level of eligibility for assistance. As Table 1 shows, the types of skills possessed by this population were limited, and most of the able-bodied individuals in this study did not find work or did not continue in their jobs beyond nine months.

Conclusions

This study contradicts the premise of the Welfare Reform Act of 1982, that is, that the Transitional Needy can and will find suitable employment. A stated purpose of the Welfare Reform Act, according to the Governor, was to remove employable people from the welfare rolls with the understanding that they would find work (Department of Public Welfare, Status Report, 1982). However, this does not appear to be the outcome, since 71 remained unemployed while 42 of the original 113 found employ-

ment, and only 3 of the 42 remained employed beyond the fourth quarter.

Recommendations

Barriers to employment exist for the Transitionally Needy population. Among these barriers are limited work histories and lack of job skills. Consequently, job training and educational programs must be enhanced in order to adequately prepare the Transitionally Needy to join the labor force.

More areas of employment development should be considered, e.g., use of community colleges for training and day care in order to develop a work force suitable for available jobs. Determination of employability should be based on work experience and skill levels, and their compatibility with the types of jobs available in the geographic labor market.

Welfare reform has been discussed for the last thirty years. However, discussion has resulted only in general recommendations. In designing welfare reform, it is not enough to emphasize work versus welfare. Policy-makers must develop programs that offer services such as vocational training and remedial education for the improvement of human capital and must also determine how to increase and improve the labor market so that jobs exist after the training has been completed. Without the latter, the employment programs operating in most states today will not succeed in offering the poor the opportunity to become self-sufficient. Other areas of government such as education, economic development and labor should be held more accountable in diminishing the poverty rate and working more closely with employable welfare recipients.

Those who make policy need to review their goals. Is the charge of government to reduce the welfare rolls by removing some recipients from welfare or to decrease the rate of poverty by providing programs that offer an opportunity for self-sufficiency to an employable population that is truly congruent with geographic employment demands?

Based on the findings of this study, it is evident that welfare recipients, who are classified as able to work and therefore able to find jobs, may not find employment. Consequently, welfare reform policy based on removing employable clients from the

welfare rolls may create economic hardship. Policymakers and public officials should make use of this information when developing welfare reform initiatives. Welfare reform programs that project realistic objectives should be planned when considering the employable poor on welfare.

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Low-Income Mothers Without Custody: Who Are They and Where Are Their Children?*

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As a focus of research, the noncustodial low income mother, particularly the mother who has received Aid to Families of Dependent Children, (AFDC) has been virtually ignored. Yet, she is central to many fields of study—foster care, child support enforcement, child maltreatment, and single parents. This article reports on 8 respondents from a cohort of 518, urban, AFDC mothers who lost custody of all children during the 17 months following their selection into the study sample. Findings reveal that most of the children were living with relatives; the majority of mothers had long-standing mental health problems; and most of the mothers not only wanted more children but were trying to get pregnant.

Recent literature has provided a beginning understanding of mothers who do not have custody following a marital breakup (Fischer & Cardea, 1981; Greif, 1986; Greif, 1987; Greif & Pabst, 1988; Herrerias, 1984; Paskowicz, 1982). These studies, however, have focused on only one segment of the noncustodial mother population—white, middle-class, once married, likely to have children who are living with their father, and who may have relinquished custody voluntarily. While this segment of the population may be the largest, it is not the only one with which social workers have contact. Child protection and foster care caseworkers provide services to populations predominantly consisting of low-income, single, noncustodial mothers who must manage reunification with or permanent separation from their children.

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The purpose of this paper is to further understanding of the noncustodial mother population served by many child welfare programs by examining a subpopulation that has not been very well-studied—mothers with low-incomes, who may never have been married, may not be white, and have become noncustodial following contact with child protective services. Eight mothers who lost custody of all children during the 17 months following their selection into a study sample of 518 AFDC mothers form the basis for our discussion.

Literature Review

To gather information about low-income, noncustodial mothers, we reviewed five areas of study, all of which have potential for focusing on issues of custody and low-income families. Little information was found. The noncustodial mother literature, as noted above, has almost exclusively focused on the middle-income mother without custody. The recent foster care literature (e.g., Fanshel, 1976; Rzepnicki, 1987) does not, to the best of our knowledge, focus on the needs of noncustodial mothers as differentiated from those of noncustodial fathers or two-parent families. Moreover, it does not address situations where parents have children living in any of a variety of informal arrangements, i.e., with relatives, spouses, etc.

The child support enforcement literature (e.g., Cassety, 1984) predominantly focuses on noncustodial parents whose children are recipients of Aid to Families of Dependent Children (AFDC). However, because the vast majority of AFDC caretakers are single parent mothers, the typical child support enforcement study focuses on noncustodial fathers. The child maltreatment literature (e.g., Parke & Collmer, 1975; Polansky, Hally, & Polansky, 1975; Wolfe, 1985), is peripherally related to custody issues in that some maltreating parents lose custody of one or more children. It does not, to the best of our knowledge, address noncustodial mothers separate and apart from parents who maintain custody, or parents who lose custody of some but not all of their children. In fact, most studies do not mention whether respondents have lost custody of any children.

After analyzing our data and seeing the prevalence of alcohol and drug abuse among these mothers, we reviewed that body

of literature, too. Loss of child custody as an outcome of drug addition was mentioned in one study (Nurco, Wegner, & Stephenson, 1982); the study reported that children were more likely to be removed from their parent(s) because of neglect rather than abuse.

Based on these reviews, there seems to be no one area of inquiry that claims these mothers as their own. Consequently, we know little about them. Yet, this little known population may be a fast-growing one for three reasons: (a) the increase in size of the population of single parent, female-headed families with children, many of whom are overburdened with financial and emotional problems; (b) the ever-increasing range of culturally sanctioned roles for women; and (c) the increased attention to and reporting of child maltreatment.

Increases in this population have particular import for child welfare, namely an increase in the number of children at high risk for child maltreatment. Theory (Finkelhor, 1985) as well as empirical findings (Finkelhor, 1980) suggest that children who live away from their natural mothers for periods of time may be at higher risk for sexual abuse than children who always live with their mothers. Studies of child maltreatment in formal, licensed foster care suggest that children living in such homes may be at higher risk for all types of maltreatment than the average child in the population-at-large (Bolton, Laner, & Gai, 1980). And, if the maltreatment rate is high in licensed foster care—homes that are monitored, even if only on a periodic basis—one can only imagine how high the rate of maltreatment must be for informal care arrangements, i.e., custody arrangements with friends, neighbors, relatives, etc., situations that are not likely to be licensed and if monitored, not very closely. For most middle-income mothers, concern about maltreatment is not an issue. Greif and Pabst's survey (1988) of such mothers reveals that more than 90% of their children were living with their fathers.

Conceptual Framework—Characteristics of the Mother Without Custody

Lacking specific theory or findings with regard to low-income, noncustodial mothers, we decided to use Belsky's model

of the determinants of parenting, "one derived from research on the etiology of child abuse and neglect" (Belsky, 1984, p. 83), as well as various hypotheses and findings from the child maltreatment and psychiatric literature to identify areas for study. These guides are particularly relevant because our sample includes a large proportion of abusing and/or neglecting families. The two areas that we decided to explore—mental health problems and future childbearing plans—were selected from an array of potentially important topics on the basis of their relevance for clinical practice.

Rationale—mental health problems

The Belsky model (1984) posits "three general sources of influence on parental functioning: (a) the parents' ontogenic origins and personal psychological resources, (b) the child's characteristics of individuality, and (c) contextual sources of stress and support" (p. 83). Of these three sources, parent psychological resources are identified as the most influential "not simply for their direct effect on parental functioning but also because of the role they undoubtedly play in recruiting contextual support" (p. 91).

On the basis of Belsky's position (1984) regarding the salience of parental psychological resources as well as the large and consistent body of findings from the psychiatric literature which reveal that maternal mental health problems (e.g., Colletta, 1983; Longfellow, Zelkowitz, & Saunders, 1981; Susman, Trickett, Iannotti, Hollenbeck, & Zahn-Wexler, 1985; Weissman, Paykel, & Klerman, 1972) have a particularly adverse affect on parenting behaviors, we decided to examine mother's history of mental health problems. It seemed reasonable to surmise that the prevalence of mental health problems might be highest among mothers without custody. Moreover, on the basis of findings which show that neglectful mothers are more likely to have mental health problems than abusive or nonmaltreating mothers (Friedrich, Tyler, & Clark, 1985; Zuravin, 1988), we reasoned that more neglectful than abusive or control mothers might be noncustodial.

Rationale—future childbearing plans

The clinical impression of many caseworkers is that mothers who are separated from all of their children are at high risk for

having another child. On the basis of information about the contraceptive patterns of maltreating mothers alone (Zuravin, 1987), this impression seems to be a reasonable one. Both abusive and neglectful mothers are likely to use contraceptives less adequately and effectively than comparable control mothers. In addition, regardless of the problems noncustodial mothers had with their children, it is likely that these children were meeting some specific need—a need that the mother may well try to fulfill by having another child. Thus, we reasoned that the noncustodial mothers may be more likely to want to conceive another child than custodial mothers.

In summary, this presentation of information about eight low-income, single mothers who do not have daily care and custody of any of their children represents a beginning attempt to describe low-income, noncustodial mothers, particularly those who once received AFDC. While no claim is being made that these eight mothers are representative of noncustodial, low-income mothers, it is our hope that this presentation will help to (a) stimulate interest in this under-studied population group, (b) generate questions and hypotheses for future study, and (c) provide the social work practitioner with a beginning description of this population. Specific objectives are: (a) to determine the composition of the noncustodial mother group by maltreatment status, (b) to identify the range of situations in which the children of these mothers live, (c) to characterize the mental health problems as well as the future childbearing plans of these mothers.

Methodology

Information for this exploratory, descriptive study of eight low-income, noncustodial mothers and their children comes from an extensive set of interview and case record data (Zuravin & Taylor, 1987) on 518 low-income, urban, single parent mothers. The original purpose of this data set was to identify personal, social, and contextual factors that increase the low-income child's risk of being physically abused and/or neglected. Methodological information pertinent to the construction of the data set is detailed in the final report to the funder (Zuravin & Taylor, 1987) and various papers (e.g., Zuravin, 1987; Zuravin, 1988). Below

is a summary of information about the 518 respondents and a description of measures pertinent to the above study objectives.

Study participants

The eight women who are described in this paper come from a group of 518 women who were interviewed in their homes by one of ten trained interviewers sometime during the period 9/1/84 to 6/30/85. These 518 women had five characteristics in common. During the study sampling month, January 1984, all were (a) residents of Baltimore, Maryland, (b) single parents (defined as not being legally married), (c) recipients of financial assistance from the Aid to families of Dependent Children program, (d) had custody of and provided daily care for at least one natural child, and (e) had at least one natural child 12 years of age or younger even if care and custody of the child was no longer the mother's responsibility.

The 518 were purposely selected to differ relative to how adequately they were known to care for their natural children; 119 respondents were known to Baltimore City Department of Social Services (BCDSS), Division of Child Protective Services for personally neglecting their children, 118 were known to BCDSS for having one or more physically abused children, and 281 were not known to BCDSS for having any neglected, physically abused, or sexually abused children. The 237 maltreating respondents were selected from a specially constructed sampling frame prepared from the cohort of 1,744 families who were receiving child protective services during the sampling month. The 281 control group respondents were selected from a specially constructed sampling frame prepared from the cohort of 37,158 families who were receiving AFDC but not child protective services during the sampling month.

Measures

Information pertinent to objective a—specific custody arrangements for children of the eight women—was obtained during the personal interview. Each respondent was asked to identify by name, age, and relationship to her each member of her household. During a comprehensive history of each of the mother's livebirths, the interviewer checked the household roster

to see if the child in question was currently living with the respondent. If the child was not among the household members, the interviewer asked, "Where is she/he living now?" Where possible, information from the interview was corroborated and supplemented by information from the child protective service case record.

Information pertinent to objective b—mental health problems and childbearing plans—was obtained during the personal interview and where possible corroborated with information from the case record. Given the prevalence of depression and substance abuse problems among the population of urban, low-income, young women (Robins, Helzer, Croughan, & Ratcliffe, 1981) information was obtained about current and past problems with depression, alcohol abuse, and drug abuse. The Beck Depression Inventory (Beck, 1970) was used to assess severity of depressive symptoms on the day of the interview and a variety of questions from the Diagnostic Interview Schedule (Robins, Helzer, et al., 1981) were used to obtain information about life-time incidence of depression as well as alcohol and drug problems.

Relevant to the women's future plans with respect to parenting, two types of information were gathered: (a) expectations for future pregnancies and family planning strategies around the time of the interview, and (b) plans for assuming daily care and custody of their children. To obtain information about future pregnancies and family planning strategies, respondents were asked a series of relevant questions taken from the National Survey of Family Growth, Cycle 3 (National Center for Health Statistics, 1982). Information about plans for return of children's daily care and custody to the mothers was obtained, where possible, from the child protective service case record narratives.

Data analysis

Because of the small size of the group of women who became noncustodial during the period from sampling to interview, formal statistical comparisons of this group with relevant groups of women who did not lose custody are not warranted. Findings from such analyses would be seriously compromised by statistical conclusion validity problems (Cook & Campbell, 1979).

However, to give the reader a feel for how these women may differ from the other groups of women included in the study, we present comparable data on all measures for the abusive ($n = 116$), neglectful ($n = 113$), and control ($n = 281$) mothers who had custody of at least one child on the day they were interviewed for the study.

Findings

Objective 1: To determine the composition of the noncustodial mother group by maltreatment status

The eight women who are the subjects of this paper became noncustodial sometime during the period 2/1/84 and the day they were interviewed, 7 to 17 months later. All eight are from the two maltreatment samples. As predicted, the majority, six of the eight (75%), are from the neglect sample.

Objective 2: To identify the range of situations in which the children of study mothers live

Inspection of data on the custodians of the 29 children of the noncustodial mothers (see Table 1) shows that the majority were not in formal foster care on the day their mother was interviewed. The largest proportion, 20 of 29, were with a relative. The remaining nine were in formal foster care, seven in family care and two in group care. Of the 20 children who were with a relative, seven were with their father and 13 were with either a maternal or paternal relative. Examining the identity of children's custodians by mother's former marital status suggests, as might be expected, that once-married mothers are more likely to have children who live with their fathers than mothers who were never married. The two mothers who were married have children living with their father (the man to whom the mother was married) whereas only one of the six never married mothers has children living with their father.

Although highly detailed information on the transfer of daily care and custody for all 29 children is not available from the child protection case records, what is available leads to three conclusions. (a) Child protective service intervention led to the transfers of custody. It is not likely that *any* of these mothers would have voluntarily on her own sought to make suitable daily

Table 1

Proportion of Children Living With Each of Three Types of Custodians and Proportion of Mothers Who Have Children With Each of the Three Types

Custodian	Children (n=29)	Mothers (n=8)*
Formal foster home or group home care	31% (9)	50% (4)
With child's father	24 (7)	37 (3)
With paternal or maternal relatives	44 (13)	37 (3)

*The number of mothers sums to more than eight because some of the mothers have children in more than one type of placement.

care and custody arrangements for any of their children. In many instances, it was necessary to involve juvenile court in the custody transfer. (b) Caseworkers tended to be extremely conservative about transfers of custody. A concerted effort was made to keep the children with their mother. Most families received an extensive array of supportive services (i.e., day care, parent aide service, mental health services, parenting programs etc.), none of which they were able to effectively use, prior to removal of all the children. (c) Every effort was made to keep the children out of formal foster home or group home care by making it a priority to place them with relatives.

Objective 3: To characterize the mental health problems as well as the future childbearing of low-income mothers without custody of their children

Demographic description. Information about six demographic characteristics (displayed in Table 2) suggests that the eight noncustodial mothers may differ not only from the average control mother but also the average neglectful and abusive mother. The mean age of the noncustodial mothers during the sampling month (1/84) was 26.1 years, younger than either the average neglectful or average abusive mother. Four respondents were black and four were white, suggesting that white mothers may be over-represented among noncustodial mothers compared to the groups of abusive, neglectful, and control mothers.

Table 2

Demographic Characteristics of Eight Noncustodial Mothers and Neglectful, Abusive and Nonmaltreating Mothers with Custody of One or More Children

Characteristics	Noncustodial (n=8)	Neglect (n=113)	Abuse (n=116)	Control (n=281)
Age as of 1/84	26.1	28.3	27.7	25.9
Grade completed	9.1	9.8	10.4	11.1
Number of livebirths	3.6	3.9	3.0	1.9
Race (percent white)	50.0 (4)	31.0 (35)	23.3 (27)	13.5 (38)
Employment (percent never employed)	75.0 (6)	50.4 (57)	52.6 (61)	37.4 (105)
Marital history (percent never married)	75.0 (6)	55.8 (63)	69.0 (80)	73.0 (205)

Two (25%) of the mothers had been employed and two had been married, quite a few less than the other three groups. They lagged behind the other three groups of mothers relative to educational achievement. The average number of years of education per mother is 9.1; not one of the eight had graduated from high school. And finally, the eight mothers had given birth to 29 children, all of whom were still alive at the time of the study. The number of children per mother ranged from one to seven with the average being 3.6.

Naturally, these mothers also differ from the middle-class, white mothers studied by others in that they had less education, were less likely to have ever been employed, were less likely to have ever been married, and had more children. Also of interest is that the eight mothers all lost custody involuntarily as compared with many of the middle class mothers who, in part, as a response to the women's movement, relinquished custody voluntarily (Greif & Pabst, 1988).

Mental health problems. Inspection of the data in Table 3 suggests, as predicted, that noncustodial mothers may have more

Table 3

Depression, Drinking, and Drug Problems Characteristic of Eight Noncustodial Mothers and Neglectful, Abusive and Nonmaltreating Mothers with Custody of One or More Children

Characteristics	Noncustodial (n = 8)	Neglect (n = 113)	Abuse (n = 116)	Control (n = 281)
Mental health problems	100.0% (8)	85.0% (96)	81.9% (95)	66.9% (188)
Two weeks depression	75.0 (6)	69.0 (78)	60.3 (70)	47.3 (133)
Prenatal depression	62.5 (5)	58.4 (66)	46.6 (54)	35.6 (100)
BDI > 13	62.5 (5)	47.8 (54)	47.4 (55)	23.8 (67)
Drinking problem	62.5 (5)	21.2 (24)	14.7 (17)	6.1 (17)
Hard drugs	25.0 (2)	10.6 (12)	5.2 (6)	2.1 (6)

difficulties with mental health types of problems than noncustodial, neglectful, abusive, or nonmaltreating mothers. Differences are most apparent with respect to alcohol and drug problems and least apparent with respect to depression. Overall, the noncustodial mothers differ most from the custodial nonmaltreating mothers and least from custodial neglectful mothers suggesting that perhaps some of the custodial neglectful mothers may be at high risk for losing custody of their children.

All eight of the custodial mothers (100%) reported problems with at least one of three mental health problems—depression, alcohol, and/or drug usage. High percentages (87% and 82%) of the neglectful and abusive mothers also reported one or more of these three problems.

Of the three mental health problems, depression was by far the most prevalent. All eight of the noncustodial mothers gave a positive response to at least one of the three indicators of depressive symptoms: (a) five (63%) were moderately or severely depressed on the day of the interview according to their Beck Depression score (scored 14 or greater) (Beck, 1970); (b) six

(75%) reported a life-time incidence of two or more weeks of depression; and (c) five (63%) were depressed after the birth of at least one child even though the child was "wanted and planned." Of the eight mothers, five (62.5%) had serious enough depressive symptoms to obtain formal help: three (37.5%) had been hospitalized at least overnight and two had received help on an outpatient basis from a mental health professional. Comparison of the noncustodial mothers with the three groups of custodial mothers on the three depression measures reveals that they differ most from the nonmaltreating mothers.

Drinking and drug problems. It is with respect to these two problems that the noncustodial mothers differ the most from the remaining abusive and neglectful mothers. "Having periods of drinking for a couple of days and not being able to sober up" was characteristic of 63% of the noncustodial mothers, as opposed to 24% of the neglectful and 15% of the abusive mothers. Using hard drugs (cocaine, PCP, heroin, or LSD) for two or more weeks was characteristic of 25% of the noncustodial mothers compared to 11% of the neglectful and 6% of the abusive mothers. Three of the five (60%) women with drinking problems and both of the women with drug problems had received some sort of formal help from a mental health professional. Unfortunately, this help seemed to have little impact on their serious substance abuse problems.

Future childbearing plans. Just as the noncustodial mothers differed from the custodial mothers with respect to alcohol and drug problems, they also differed with respect to their future childbearing plans. Despite the many serious child care problems experienced by these women and the very high incidence of behavioral, physical, and emotional problems characteristic of their children, all six of the women who were not sterile (either because of tubal ligation or hysterectomy) wanted to have at least one more child. All six answered "yes" to the question, "Looking to the future, do you intend to have another baby at some time" (National Center for Health Statistics, 1982). Five wanted one more child and one wanted two more children. So, while 100% of the noncustodial mothers who could have another child wanted another child, only 43% of the neglectful ($n = 67$), 54% of the abusive ($n = 59$), and 57% of the control mothers ($n = 202$) wanted another child.

And, not only did the six women want more children, all six had a steady boyfriend and all except one were trying to get pregnant by that boyfriend during the two week period prior to the interview. In response to the question, "Did you use any method of birth control the last time you had intercourse?" (National Center for Health Statistics, 1982) all five answered "no."

The descriptive statistics provide some information about these eight low-income, noncustodial mothers; however, due to the size of the study group, the picture is an abbreviated one. To fill in this picture, we close with a detailed description of Roberta, a mother who is typical of the eight women who form the basis of this study.

The story of Roberta. Roberta is a 32-year-old, never-married, mother of three children. All three are living with relatives: John, age 14, and Mary, age 12, live with one family while Brenda, age 3, lives with another. Roberta was first reported to child protective services during 1975 for severe neglect of John and Mary. Since the time of this report, daily care and custody of these two children has been provided by their maternal aunt. During 1982, Roberta was reported to child protective services for failure to make appropriate child care arrangements for Brenda, a complaint very similar to the one that had lost her custody of John and Mary. Several days prior to the complaint, she had been found guilty of shoplifting and required to serve 9 days in city jail. Rather than make appropriate arrangements for the care of Brenda (two years old at the time), she left Brenda with her current boyfriend, Bobby, a known heroin addict. Bobby contacted a friend of Roberta's who not only came and got Brenda but reported the problem to child protective services.

Problems with depression, drinking, and drugs have repeatedly punctuated Roberta's life. She was positive for all three depression measures: (a) depressed after the birth of each of her three children even though the first two were planned conceptions, (b) felt sad, blue, and depressed for at least two consecutive weeks during the six months preceding the interview, and (c) moderately depressed on the day of the interview, according to her Beck Depression Inventory score. And, as if the problems with depression were not enough, Roberta also had long-stand-

ing problems with substance abuse. As recent as six months prior to the interview she had periods of drinking for a couple of days or more without sobering up and of "shooting herself with heroin." The case record narratives describe heroin and alcohol addiction problems dating back as far as 1975—the year when she was first reported for child neglect.

Despite the long-standing mental health problems, the repeated encounters with child protective services for child neglect, and the loss of custody of all her children, Roberta not only planned to have two more children before she reached 35, she was working on getting pregnant. At last intercourse (the night before the interview), neither she nor Bobby had used any method of birth control. During the year preceding the interview, they used birth control about half the time.

Discussion

The data describe these mothers as having more problems than their counterparts either in the low-income population (maltreators and controls) or in the noncustodial mother literature. The questions we sought answers to and their findings point in many directions.

1. Overrepresentation of neglect as opposed to abuse among the eight noncustodial mother situations directs attention to the adequacy of services for intact neglectful families. Even though neglectful mothers may suffer more frequently from mental health problems (Freidrich, Tyler, et al., 1985; Zuravin, 1988), it is important to pose the question—are we providing sufficient services, soon enough to these families? Conceivably, neglectful situations do not receive services until the mother's mental health problems have deteriorated to the point where they are virtually intractable. According to Wolock and Horowitz (1984), "in spite of data showing that neglect is no less severe than physical abuse, there is some evidence that preoccupation with abuse may have led the protective service worker to view neglect as being of lesser severity, and, in the face of unmanageably high caseloads, to be more likely to screen out neglect cases" (p. 537) (also, see Selinske, 1984).

2. The fact that many of their children are not in formal foster care raises the question of who is caring for these children.

Are they in adequate placements with relatives or are they as much at risk for maltreatment as they were when living with their mothers? This takes us back to one of the possible adverse consequences, mentioned earlier in the paper, of an increase in the population of low-income, noncustodial mothers. We may be seeing a growing number of unmonitored, unattached children, ones that are shuffled from place to place after having been maltreated by their mothers. Who know what happens to children, who, for example, go with one relative, do not fit in there, and then move on to another and another informal placement. More than two-thirds of this group of 29 children could be in this situation. Are these children at high risk for maltreatment? Do these children constitute a large proportion of a rather newly recognized American social problem, "runaway children and teenagers?"

3. Most troubling of the facts learned about these eight mothers is that the six who have not been sterilized want and are trying to have more children. While middle class mothers have also started families again after becoming noncustodial (Greif & Pabst, 1988), it appears to occur in a small proportion of cases. We could thus hypothesize that having a low income and becoming noncustodial as a result of child protective service intervention are linked to a desire to have more children in a way that may not apply to middle-income noncustodial mothers. Will history repeat itself for these mothers and their new children? If so, short of mandatory sterilization, what is the solution?

There are at least three directions for future research on noncustodial mothers. The first direction centers on differences between low- and middle-income noncustodial mothers. For instance, "Are noncustodial low-income mothers compared to noncustodial middle-income mothers (a) a less prevalent phenomenon? (b) less likely to voluntarily relinquish custody of their children than middle-income mothers? (c) more likely to become noncustodial involuntarily because of intractable mental health problems including depression and substance abuse? (d) more likely to want more children and to try to have more children once they become noncustodial? The second direction centers on differences between low-income mothers who are noncustodial and comparable mothers who have custody of some

but not all of their children. Do these two groups of mothers differ, and if so, how?

Does a mother lose some children on the way to losing all of her children? And, if so, what could be done preventively to reverse this cycle? And, finally, the third direction centers on low-income fathers. When and under what circumstances do they become custodians of their children (Greif & Zuravin, in press)? How do those fathers who assume daily care and custody of their children differ from those who do not?

Traditionally, foster care literature has focused on and documented the consequences for children of being in formal foster family and group care placements. It has not, however, to the best of our knowledge, addressed the issue of children who are living in "informal foster care arrangements", i.e., the child who lives with relatives. Given the current crisis in the formal foster care system—not enough placements to meet demand—placement of children with relatives is likely to increase. The consequences of these placements need documentation. Is the population of children in "informal foster care" growing? Are children in "informal foster care" at increased risk for child maltreatment of all types? Do they constitute a large proportion of the "runaway minor" problem?

We have attempted to show that more research on the low-income, noncustodial mother is needed. The study of this population, which has been virtually ignored, can provide a key to unlocking many fields of study relevant to social service policy and social work practice.

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Factors Affecting Competition in State Contracting for Human Services

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The Benefits of Competition

Competition has long been recognized as a necessary ingredient of our economic system. Competition, it is argued, is needed to combat the negative effects of monopoly. Downs describes the negative effects of monopoly and the benefits of competition in these terms:

The classic antidote to monopoly is competition. By introducing alternative sources of supply, competition expands the choice available to consumers. Moreover, these alternative sources are likely to use different methods and approaches, or even to develop wholly new products, thus greater variety makes expanded choice really meaningful. Since consumers can shift their trade from suppliers who do not please them, suppliers have a strong incentive to provide what the consumers want. This attitude also means competitors regard innovations positively, as potential means of winning more business . . . In contrast, monopolists usually view innovations negatively (Downs, 1970, p. 264).

A number of authors have criticized government's historic monopoly of human services delivery in this country. These critics maintain that government monopoly has led to a human services delivery system that is inefficient, ineffective, unresponsive, and in some cases irrelevant, to the real needs of clients and communities (Drucker, 1969; Reid, 1972; Pruger and Miller, 1973; Savas, 1977, 1982). What is needed, in the view of these

authors, is for government to promote competition in human services delivery. The anticipated benefits of promoting competition in human services delivery are said to be numerous: promotion of innovative and creative approaches to service delivery (Newman and Turem, 1974), improved service quality (Fitch, 1974), and the creation of a pricing mechanism (Fisk, Kiesling, and Muller, 1978), that can lead to lower service delivery costs (Kettner and Martin, 1985).

Competition & Purchase of Service Contracting (POSC)

The two principal methods of promoting competition in human services delivery are the use of vouchers and purchase of service contracting (Bendick, 1984). Vouchers have been used for some time in such service areas as education, day care and transportation services (Hatry and Valente, 1983; Agranoff and Pattakos, 1985; Hatry and Durman, 1985). Purchase of service contracting (POSC) has also been used as a means of promoting competition in the human services (Kettner and Martin, 1985; Hatry and Durman, 1985). By making public funds available through POSC, the expectation is that private sector service providers will compete with one another to win human services contracts.

Of the two principal methods available, POSC clearly holds the greatest potential for generating competition in human services delivery. The federal Department of Health and Human Services, all fifty state human services agencies, and a sizable proportion of municipal and county human services agencies all use POSC (Mueller, 1980, Martin, 1986, Agranoff and Pattakos, 1985). POSC has been the major mode of state human services delivery since the late 1970's (Benton, Field, and Millar, 1978; Mueller, 1980; Martin, 1986; Kettner and Martin, 1987). Based on studies of state human services agencies, it is estimated that POSC expenditures under the federal Social Service Block Grant program alone exceed \$1 billion dollars annually (Mueller, 1980, Martin 1986, Kettner and Martin, 1987).

Despite its potential importance as a means of promoting competition in the human services, little is actually known about the real extent of competition in POSC. From a theoretical perspective general agreement exists that most types of human ser-

vices are at least candidates for competitive contracting (Hatry and Durman, 1985). From an empirical perspective, however, most of what is known about competition in POSC for human services is derived from a limited knowledge base that is perhaps best characterized as being of a case study or anecdotal nature (e.g., Massachusetts Taxpayers Foundation, Inc., 1980; Terrell and Kramer, 1984; Hatry and Durman, 1985; DeHoog, 1985, 1986; Kramer and Grossman, 1987). The evidence that does exist, however, suggests that competition in POSC for human services may be more myth than reality. If competition is generally absent in human services contracting, a disturbing question is raised in some minds: has the widespread use of POSC created situations where private sector monopolies have simply replaced public sector monopolies? (Florestano, 1982).

In an attempt to determine the extent of competition in POSC for human services and the factors that may promote, or impede it, the authors conducted a secondary data analysis of a recent national survey of the POSC activities of state Social Services Block Grant (SSBG) agencies (Martin, 1986).

Study Design

The original study conducted in 1986, involved a mail survey sent to the top administrators of the fifty state SSBG agencies. Forty-three state SSBG administrators responded to the survey as the result of the original and one follow-up mailing constituting a response rate of 86%. Specific questions were asked concerning: (a) the extent of competition present in the POSC activities of state SSBG agencies; (b) the criteria, or factors, used in making decisions about POSC; and (c) the types of POSC administrative mechanisms most frequently used by state SSBG agencies. The variables used to operationalize these concepts are discussed in the following sections.

Competition

Competition was defined as two or more contractors submitting bids or proposals to provide a service. This is a fairly standard test for the presence of competition in contracting and is based on government procurement theory (Office of Federal Procurement Policy, 1979; DeHoog, 1985; Kettner and Martin,

1985, 1987). In an attempt to determine the extent of competition experienced in each state, SSBG administrators were asked to indicate the percentage of time two or more bids or proposals were received in response to the issuance of invitations for bids (IFBs) and requests for proposals (RFPs). Because the effort necessary for precise calculations would have made responses impractical, state SSBG administrators were asked to make their best, and most informed, percentage estimates.

POSC Decision Factors

Beginning in the late 1960s a series of studies was conducted in an attempt to identify the criteria, or factors, used by state human services agencies in making decisions about the use of POSC. The question posed in these studies, in short, was: what factors were most important in your state's overall decisions to use POSC? (Booz-Allen and Hamilton, 1969; Wedel, 1974; Benton, Field and Millar, 1978; Pacific Consultants, 1979; American Public Welfare Association, 1981). The findings of these studies were distilled into eleven POSC decision factors: (1) cost considerations—the use of POSC to control, contain, or reduce the cost of service delivery; (2) service system considerations—the use of POSC to maintain or expand the human services system through increased involvement of the private sector; (3) funding considerations—the use of POSC to integrate federal and state funding with local government and private sector funding; (4) productivity considerations—the use of POSC to increase the amount of services delivered; (5) availability and capability of contractors—the effect that the presence or absence of multiple capable potential contractors has on the ability to use POSC; (6) service considerations—the nature of the services to be provided that might make POSC a more, or less, useful option; (7) client considerations—the use of POSC to enhance client access or increase service impact; (8) government organizational and policy considerations—the extent to which POSC is favored by agency policy or necessitated by the lack of government expertise or equipment; (9) history and tradition—the influence of established public-private sector relationships on the use of POSC; (10) legal requirements—the influence of state laws and regulations governing the use of POSC; (11) politics and com-

munity pressures—the effects of power on decisions to use POSC.

State SSBG administrators were asked to rate, using a six point scale, the relative influence of each of these eleven factors on their agencies' overall decisions to use POSC. A score of six was used to indicate that the POSC decision factor was considered "very important" in the contracting decisions of the state SSBG agency and a score of one was used to indicate that the POSC decision factor was considered "not at all important." By determining the relative priority state SSBG agencies place on these various POSC decision factors, it is possible to explore potential relationships between these factors and competition levels.

Based on the findings of the five studies cited earlier and other relevant literature dealing with POSC and contracting, it was hypothesized that four of the identified POSC decision factors would be positively associated with competition levels and seven negatively associated. The POSC decision factors hypothesized to be positively associated with competition levels are: cost considerations, productivity considerations, availability and capability of contractors, and legal requirements. Cost and productivity considerations are hypothesized to be positively associated with competition levels because increased competition in human services delivery is generally viewed as a method to drive down service delivery costs, increase productivity, or both (Office of Federal Procurement Policy, 1979; The Council on State Governments, 1983; Hatry and Durman 1985). The availability and capability of contractors (i.e., potential contractors) is generally considered to be the *sine qua non* of competition (Hatry and Durman, 1985; Kettner and Martin, 1987). Legal requirements generally fall within the context of state procurement laws and regulations, which tend to promote competitive contracting (The Council of State Governments, 1983).

The seven POSC decision factors hypothesized to be negatively associated with competition levels are: service system considerations, funding considerations, service considerations, client considerations, government organizational and policy considerations, history and tradition, and politics and community pressures. Service system considerations and funding considerations

are hypothesized to be negatively associated with competition levels because evidence suggests that when these factors are important in POSC decisions, maintenance of the status quo rather than any attempt to increase competition tends to be the result (Massachusetts Taxpayers Foundation, Inc.; DeHoog, 1985, 1986). Likewise, when service considerations or client considerations are considered more important in POSC decisions, competition tends to be less important (Hatry and Durman, 1984; Kettner and Martin, 1987).

Government organizational and policy considerations are hypothesized to be negatively associated with competition levels because where state human services agencies have a formal policy position on POSC, the policy tends to be collaborative, rather than competitive (e.g., State of Connecticut, 1984). When government lacks the necessary expertise to provide a service directly, it also is frequently less well equipped administratively to contract competitively for that service (Kettner and Martin, 1987).

History and tradition tend to promote collaboration rather than competition in POSC because established public-private sector relations were based on partnership arrangements rather than competitive arrangements (Kettner and Martin, 1986). Finally, where politics and community pressures are brought to bear on POSC decisions, these pressures are related to the funding of particular services or agencies, rather than to the promotion of competition (Massachusetts Taxpayers Foundation, Inc., 1980; DeHoog, 1985).

If the hypotheses formulated above about the relationships between POSC decision factors and competition hold true for state SSBG agencies, an analysis of the study data should reveal positive and negative correlations as follows:

*Prediction of Positive
Correlation with
Competition Levels*

- Cost Considerations
- Productivity Considerations
- Availability & Capability
of Contractors
- Legal Requirements

*Prediction of Negative
Correlation With
Competition Levels*

- Service System
Considerations
- Funding Considerations
- Service Considerations
- Client Considerations

- Government Organizational & Policy Considerations
- History & Tradition
- Politics & Community Pressures

POSC Administrative Mechanisms

Based on a review of the POSC and government procurement literature, eight administrative mechanisms used by government contracting agencies were also identified. These POSC administrative mechanisms include: the procurement processes of (a) invitation for bids (IFBs) and (b) the request for proposals (RFPs); the contract payment mechanisms of (c) cost reimbursement contracts and (d) unit cost, fixed-fee, and incentive contracts; the length of contract term either (e) single year contracts or (f) multi-year contracts; and the type of contractors used (g) government and non-profit contractors and (h) for-profit contractors.

State SSBG administrators were again asked to rate, using a six point scale, how characteristic each of the eight POSC administrative mechanisms was of their agency's overall approach to POSC. A score of six was to indicate that the POSC administrative mechanism was considered "very characteristic" of the state SSBG agency's contracting approach and a score of one was to indicate that the POSC administrative mechanism was "not at all characteristic."

In examining these eight POSC administrative mechanisms, one can again hypothesize that some would be positively associated with competition levels and some negatively. The use of the invitation for bids (IFBs) is generally associated with a more competitive environment because price or cost is the primary decision criterion, with the resulting contract usually being awarded to the lowest bidder (Office of Federal Procurement Policy, 1979). The use of the request for proposals (RFPs), on the other hand, is frequently associated with a less competitive environment because program design and service issues tend to take precedence over issues of cost or price (The Council of State Governments, 1983; Hatry and Durman, 1985).

Unit cost, fixed-fee, and incentive contracts are generally

held to promote competition because contractors know they will be paid a predetermined price for their services and, consequently, they are ultimately responsible for cost control and productivity. Conversely, the use of cost reimbursement contracts is generally associated with a less competitive environment because contractors know that this type of payment mechanism holds them harmless from financial risk since the government contracting agency agrees to defray all the contractor's costs of service delivery (Kettner and Martin, 1987).

The use of single year contracts is generally considered to have a positive effect on competition because contractors can change annually (Fisk, Kiesling and Muller, 1978; Hatry and Durman, 1985). Thus, single year contracts tend to promote competition more than do multi-year contracts. The use of for-profit contractors is also generally considered to promote competition because in a competitive environment, it is likely that every available type of contractor would be given an equal opportunity to compete. Excluding for-profits from being POSC contractors, as some state human services agencies apparently do (State of Connecticut, 1984), and restricting POSC contracts to only government and non-profit agencies is, therefore, considered as more characteristic of a less competitive environment.

If these generally held notions about the relationships between POSC decision factors and competition are consistent with the actual practices of state SSBG agencies, an analysis of the study data should reveal positive and negative correlations as follows:

*Prediction of Positive
Correlation with
Competition Levels*

- Invitation for Bids
- Unit Cost, Fixed-Fee &
Incentive Contracts
- Single Year Contracts
- For-Profit

*Prediction of Negative
Correlation with
Competition Levels*

- Request for Proposals
- Cost Reimbursement
Contracts
- Multi-Year Contracts
- Government & Non-Profit
Contractors

Study Findings

Extent of Competition

As Table 1 illustrates, nationally competition is present less than 25% of the time in the POSC activities of the responding

Table 1

Mean Percentage Competition Levels Nationally and By Geographical Region

Nationally	North East Region	North Central Region	South Region	West Region	F-Test
(40)	(7)	(7)	(14)	(12)	
23.9%	27.7%	11.6%	11.6%	43.3%	3.165*

() = Number of Cases

*p = .05

state SSBG agencies. This finding certainly calls into question the notion that competition in POSC is a widespread national phenomenon. There are, however, significant regional differences in the amount of competition present in the POSC activities of state SSBG agencies. Again referring to Table 1, competition occurs 43% of the time in the West region, while competition levels approximate the national average in the North East region (27.7%) and are considerably below the national average in the North Central (11.6%) and South (11.66%) regions. These four regional groupings were developed by the International City Management Association and have been used in previous studies involving POSC (Agranoff and Pattakos, 1985; Kettner and Martin, 1987).

Competition and POSC Decision Factors

As Table 2 illustrates, none of the POSC decision factors are significantly correlated, either positively or negatively, with competition levels. At this point we might well conclude that either: (a) the priorities of state SSBG agencies have no impact on competition levels—that stated priorities to reduce costs or increase productivity simply do not get translated in action, or (b) that the degree of competition may be influenced more by other factors and less by the conscious policy choices of state SSBG agencies. When the focus of the analysis of Table 2 shifts from the size of the correlations to their signs, however, seven of eleven signs are in the predicted direction. Five of the seven POSC decision factors predicted to correlate negatively with

Table 2

Predicted and Actual Correlations Between POSC Decision Factors and Competition Levels

POSC Decision Factors	Predicted Correlation	Actual Correlation
Cost Considerations	Positive	-.06
Productivity Considerations	Positive	.07
Availability & Capability of Contractors	Positive	-.19
Legal Requirements	Positive	.23
Service System Considerations	Negative	-.03
Funding Considerations	Negative	-.21
Service Considerations	Negative	-.07
Client Considerations	Negative	.17
Government Organizational & Policy Considerations	Negative	-.22
History & Tradition	Negative	-.01
Politics & Community Pressures	Negative	.08

competition levels have negative signs: service system considerations, service considerations, funding considerations, government organizational and policy considerations, and history and tradition. Two of the four POSC decision factors predicted to correlate positively with competition levels have positive signs: productivity considerations and legal requirements. These findings provide at least some support for the notion that POSC decision factors may be related to competition, but obviously more precise measurements are needed to further probe the nature of these relationships.

If POSC decision factors do not explain the variation in competition between state SSBG agencies, the next most probable source would be POSC administrative mechanisms.

Competition and POSC Administrative Mechanisms

Table 3 reveals a number of statistically significant correlations between POSC administrative mechanisms and competition levels, but few are in the direction predicted. In terms of procurement mechanisms, both the invitation for bids (.35) and

Table 3

Predicted and Actual Correlation Between POSC Administrative Mechanism and Competition Levels

POSC Administrative Mechanism	Predicted Correlation	Actual Correlation
Invitation for Bids (IFBs)	Positive	.35*
Request for Proposals (RFPs)	Negative	.27*
Unit Cost, Fixed-Fee & Incentive Contracts	Positive	.01
Cost Reimbursement Contracts	Negative	.01
Single Year Contracts	Positive	-.30*
Multi-Year Contracts	Negative	.58***
Government & Non-Profit Contractors	Negative	-.34*
For-Profit Contractors	Positive	.26*

*p = .05 **p = .01 ***p = .001

the request for proposals (.27) are positively correlated with competition levels indicating that these two POSC administrative mechanisms are characteristic of state SSBG agencies with high competition levels. The contract payment mechanisms show no correlations whatsoever, with both unit cost, fixed-fee, and incentive contracts (.01) as well as cost reimbursement contracts (.01) having zero order correlations.

Type of contractor variables do reveal signs in the predicted directions, but the correlations are moderate. Government and non-profit contractors show a moderate negative correlations (-.34) with competition levels, while for-profit contractors demonstrate a moderate positive correlation (.26).

The length of contract term variables show moderate to strong correlations, but their signs are in the opposite directions from those predicted. Single-year contracts reveal a moderate negative correlation (-.30) with competition levels, while multi-year contracts evidence a strong positive correlation (.58). These two findings are surprising in that they run counter to generally accepted notions that multi-year contracts retard competition and single year contracts promote competition (Fisk, Kiesling,

and Muller, 1974; Hatry and Durman, 1985; Kettner and Martin, 1985, 1987). A plausible explanation for this finding is that prospective contractors may be more willing to compete for POSC contracts when they know that success will mean a long term multi-year contractual relationship as opposed to a short term single year contractual relationship.

Summary & Conclusions

What, then, can be said of competition and purchase of service contracting (POSC) based on these findings? First, that competition does exist in the POSC activities of state SSBG agencies, but less than 25% of the time. Second, that competition levels vary significantly between regions of the country with the most competition taking place in the West region. Third, that the policy priorities of state SSBG agencies, as operationalized in the selected POSC decision factors used in this study, apparently have little effect on competition levels. Fourth, that the different POSC administrative mechanisms used by state SSBG agencies appear to have the greatest effect on competition levels. Of the eight POSC administrative mechanisms included in this study the most important in terms of promoting competition levels are: multi-year contracts, invitation for bids, request for proposals, and for-profit contractors.

While this study opens up for discussion the question of competition in POSC and, by extension, competition in human services delivery, a large number of important questions remain for subsequent research. Most notable among these are: (a) do state SSBG agencies see competition as desirable or undesirable? (b) are state SSBG agencies attempting to promote or reduce competition? (c) what benefits do state SSBG agencies perceive as resulting from increased or decreased competition? and (d) what has been the impact of competition on the cost and quality of service delivery so far? At this point, in the absence of answers to these questions, it is too early to speculate on the success or failure of competition in POSC or competition in human services delivery.

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Urban Emergency Food Center Clients: Characteristics, Coping Strategies and Needs*

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The clients of emergency hunger centers in an urban area were studied to assess the problem of hunger from the clients' vantage point. The findings indicate that hunger remains a problem even among those who have availed themselves of emergency food services. A great deal of time and effort is spent in activities to cope with hunger. The adequacy of the present system for meeting the needs of the hungry and implications for policy are discussed.

Hunger is a major social problem in America. National, state and local data have documented both the existence of the problem and its increasing magnitude (Physician Task Force on Hunger in America, 1985). In 1982, the U.S. Conference of Mayors was the first group to officially recognize the hunger crisis (United States Conference of Mayors, 1982). Again in 1983 and 1985, the Mayors' Conference reported on the status of hunger and concluded that the problem had grown, is expected to continue to grow, and recommended an increase in federal program assistance. (United States Conference of Mayors, 1983; 1985).

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In response to the hunger problem, emergency food services have been established in record numbers. Wenocur and associates found that 15% of the citizens of Baltimore turned to nongovernment emergency assistance programs for food services because of low levels of public assistance, the lack of public emergency resources, and problems of ineligibility (Wenocur et al., 1980). These authors concluded that needy people were falling through the cracks of social insurance programs and the public assistance safety net. In looking into the reasons Americans have developed a need for food assistance, the General Accounting Office concluded that some Americans have developed a need for food assistance because they do not receive government nutrition assistance (United States General Accounting Office, 1983).

Several national studies of emergency food service providers have found that these programs have been unable to keep up with increased need and demand for food (Salvation Army of America, 1983; Bread for the World, 1983; Food Research and Action Center, 1984; Social and Scientific Systems, Inc., 1983; Center on Budget and Policy Priorities, 1983). The main reason appears to be inadequate food supplies. The evidence shows that private charity cannot meet the need for food assistance in local communities. In almost all cases, the centers are serving more people today than in the past with major increases noted in the numbers of families and children requesting emergency food (Food Research and Action Center, 1984).

The Physician's Task Force on Hunger in America (1985) examined the consequences of hunger and concluded that serious harm is being done. They found that low-income adults are at greater risk of certain nutrition-related diseases and face significantly greater likelihood of dying at relatively earlier ages than other Americans. The task force also concluded that as a group, poor children are less likely to be adequately nourished and are more likely to suffer growth failure and are at greater risk of death from malnutrition than their nonpoor peers. Moreover, infants of poor mothers are at greater risk of death and of low-birth weight and later health impairment than those of the nonpoor.

This report provides descriptive data on the hunger problem

from the perspective of emergency food recipients in an urban area. The study examined the characteristics of hunger center clients, their food consumption patterns, strategies for feeding themselves and their families, and perceptions of their service needs. Particular attention was paid to the clients' own views as to whether their own resources and existing services were adequate for meeting their food needs. Resources included income from work, public assistance, the voluntary sector and the social network. This study assesses the extent to which emergency food centers are able to respond to this national problem and reach those in need, and how well current policies and programs are addressing the hunger problem. Implications for policy are offered.

Methods

For the purpose of this study, emergency food centers were defined as units run by voluntary organizations that provided emergency food or meals on some regular basis. Thirty-four emergency food centers participated in the survey and constitute most of the major units in the greater Cleveland area. Survey sites included hunger centers that supply food bags in 21 inner-city and 7 suburban locations and 6 congregate meal centers in the city. The hunger centers provide three-day food supplies (adjusted for family size) once every two months in city locations and once a month in suburban locations and use an income criterion for eligibility. The congregate meal sites serve meals during the last week of every month to anyone who walks in. There is no eligibility requirement and recipients generally live in the immediate vicinity (i.e., within walking distance).

Hunger center clients at the 34 sites were surveyed by 40 interviewers over a period of ten consecutive days at the end of May, 1987. Interviews were guided by a structured questionnaire which took approximately 15 minutes to administer. Interviews were facilitated by the center managers and/or meal coordinators who approached clients and requested their participation in the study. Clients were told that the study was intended to gain understanding of the needs and problems of people who use hunger centers and that participation was strictly voluntary.

An attempt was made to interview as many of the clients who were present at each site during the hours of operation on each day of data collection. An opportunistic, nonprobability sample was selected and only a small number of clients refused to be interviewed. The findings from this study cannot be generalized to all service recipients nor to the broader group of people who experience hunger.

Findings

Client Characteristics

Six hundred and sixty-four emergency food recipients participated in the survey and 72.6% were interviewed in the city hunger centers, 12.7% in the suburban hunger centers and 14.8% in city congregate meal sites (see Table 1). Females outnumber males by almost two to one. Ages of respondents range from 17 to 89, with a median age of 38. About 7 out of 10 respondents are black, while a quarter are white, and 4.2% are from other racial/ethnic groups. Only 2 out of 10 respondents reported being married and half had completed high school or had a higher education. Forty percent reported living alone while almost half indicate the presence of children 18 years or less within the household.

The median monthly income for a family of two in the sample is \$386 per month inclusive of food stamps which is substantially below the 1987 poverty level of \$617 per month (United States Government Printing Office, 1987). Only 7.3% of the sample hold either full- or part-time jobs and 70% of these center clients indicate they presently receive food stamps with a value of \$0.74 per person per meal for a family of two in the previous month. When asked about other sources of public assistance, 35% said they received ADC, 30% General Relief, 13% SSI, and 14.5% Social Security.

A third of the clients report a hypertension condition, 11.7% say they suffer from heart disease, 9.6% from diabetes and 3% have cancer. Approximately 22% report being overweight and 9% report being underweight.

Food Availability and Consumption

Seventy-eight percent of survey participants report that they generally eat two to three times a day while those who are par-

Table 1

Client Characteristics

Characteristic	n	%
Sex		
Male	238	35.8
Female	426	64.2
Race		
White	175	26.4
Black	461	69.4
Other	28	4.2
Age		
Under 20	19	2.9
21-30	179	27.0
31-40	179	27.0
41-50	111	16.7
51-60	84	12.7
61-70	53	8.0
Over 70	38	5.7
Sources of Income*		
ADC	233	35.1
GR	200	30.1
SSI	86	13.0
SS	96	14.5
Unemployment Insurance	7	1.1
Job	48	7.2
Food Stamp Recipient	466	70.2
Marital Status		
Married	129	19.4
Not Married	535	80.6
Education		
Some College	97	14.6
High School Graduates	238	35.8
Some High School	209	31.5
Less than High School	120	18.1

Total n = 664 (Due to missing data, the n on each variable may differ slightly.)

*Note, multiple responses are possible

ents note that for the most part the children eat three to four times daily. Eight of ten respondents indicate that during a usual month they eat fewer meals or serve less food at meals because

of inadequate food supplies. Of those respondents with children in their households, almost three-quarters report eating less or different food at meals than their children in order to save food for them. Finally, almost half the clients surveyed revealed that even with the use of food services, during a typical month there are times that they have to go without eating due to insufficient food supplies. These 311 respondents who ran out of food fall into two subgroups: 81% who receive food stamps that are inadequate to meet their food needs, and 19% who are not food stamp recipients, a majority of whom are not receiving any form of public assistance. It was beyond the scope of the survey to determine whether this latter group was ineligible for public services or failed to receive them for other reasons. This subgroup of food stamp recipients had a median family size of two and a median monthly income of \$253 while the nonrecipient subgroup had a median family size of two and a median monthly income of \$300. Fifty-seven percent of these food stamp recipients have children whereas 40% of the nonrecipient subgroup have children. The nonrecipients are more often male and more likely to be married.

Coping Strategies

In order to gain an understanding of the ways in which emergency food center clients cope, survey respondents were asked what kinds of strategies they employed during a typical month in order to feed themselves and/or their families beyond the use of emergency food services. A majority of respondents (73%) indicated that they borrowed money from friends or relatives, about half borrowed food from friends or relatives, more than half said they found odd jobs or day work, over a third said they bought food on credit or sold items to raise money, and almost a sixth reported selling blood. Other coping strategies were also reported: (a) budget management such as buying on credit, borrowing, stretching food dollars, and eating fewer meals; (b) income generation strategies such as working odd jobs, selling one's possessions, recycled items, or drugs, prostitution, begging, gambling or stealing; and (c) food procurement strategies including eating at friends'/relatives' homes or community events, borrowing or pooling food, requesting or stealing food from grocery stores or restaurants, or gardening.

Respondents were also asked if there were other things they had seen people do in order to feed their families. This question was included to see if respondents would mention socially taboo or illegal means. It was reported that children go begging or take part in pornographic films, that people eat dog food, kill for food and money, get sent to jail, and avoid problems through use of alcohol.

Service Needs: Met and Unmet

The data suggest that the emergency food centers play a crucial stabilizing role in clients' lives. The interviews contained comments like "people would starve to death without them," "thank God they are here," and "they have been wonderful to me." Most clients commended the service and the staff of the centers for the job they are doing with what is available. However, the inadequacy of the centers' food offerings was noted repeatedly in terms of quality, quantity, and frequency. Respondents indicated that emergency centers run out of food, have limited hours of operation, and are inadequately staffed, which results in long waits and the possibility of being turned away. In addition, some centers did not have refrigerators, thus special dietary or medical needs, or the needs of the elderly or children, could not be considered. Other concerns included the lack of baby food and the need for household staples, particularly at the end of the month.

Almost uniformly, respondents expressed the need for more food, more often, since the allotted amount and frequency of food provisions is insufficient. In addition, clients recommended longer hours of operation and increased staffing to allay long waits. Several access issues were also raised which included the proximity of food centers to residents. Elderly clients, in particular, reported problems in reaching the center since walking is difficult and transportation is not always available. Moreover, food offerings are sometimes counterindicated for those on health-related diets. Clients noted that many people need help but are unaware of the food service or have too much pride to avail themselves of it. For some respondents, service acceptability was hampered by negative or condescending staff attitudes in some centers, crowding, summer heat, and waiting in line outdoors in inclement weather.

Improving the selection of food offerings was requested by numerous center clients. Specific suggestions include offering more varied foods, fresh vegetables and meats, canned goods, paper products, and household staples. Finally, some clients mentioned the need for other concrete services such as job services, clothing and social activities.

Summary and Conclusions

What becomes clear from this study is the vulnerability of people who need food. The use of emergency food centers has become a necessity, an integral part of their daily routine, not a temporary means of crisis management as originally intended. Managing to feed themselves and their families consumed a good deal of time and effort, as the wide variety of coping strategies illustrates. The feeling of strain due to inadequate resources and income assistance was evident. Respondents spoke of hard choices poor people are forced to make, such as selling food stamps to pay rent or utilities, foregoing medicine for food, or skipping meals to feed the children. The portrait of unmet need was augmented by personal statements about how difficult it is to beg for food, embarrassment over use of emergency food centers, and the giving-up of pride.

This study has provided a portrait of people who have drawn upon all three tiers of the social protection system, the family, the public sector, and the voluntary sector, and who are still facing a hunger problem. Evidence emerged that both food stamp recipients and nonrecipients are falling through the safety-net and at times go without food.

Several implications for policy can be drawn. The food stamp budget needs to be adjusted to keep up with inflation and made adequate to purchase an appropriate diet. The combination of income support and food stamps needs to be restructured so that recipients can purchase needed food. Moreover, this study identified a group of people who need food but who are without food stamps, which suggests that eligibility criteria need to be broadened and barriers need to be removed to provide public food assistance to this subgroup.

Emergency food centers which emerged as a short-term solution to serve a tertiary level, safety-net function, have become

major service providers. While emergency food services have been thrust into a front-and-center role in meeting the needs of the hungry poor, inadequate resources which limit availability of food supplies prevent them from meeting the demand. The proper mixture of public and private support needs to be reassessed to assure food availability. In addition, policies and procedures which limit the amount and frequency of food provision, times of operation, and eligibility requirements must be revamped. Thus, while the centers have become a widespread outlet for addressing the nation's growing hunger problem, current policies and funding patterns have not provided sufficient supportive resources to meet the need for emergency food despite the increased public awareness of the problem and dramatic documentation early in this decade.

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Family Structures and the Feminization of Poverty: Women in Hawaii*

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The quality of life for many single mothers and their children is shrouded in economic hardship. Women outside the traditional nuclear family, attempting to raise children, are doing so in poverty and without much public support. Marital disruption, teenage mothers, and out of wedlock births have resulted in an alarming number of impoverished children living in America. This paper examines census data in the state of Hawaii and the impact of family structure on the quality of lives of women with children. Women living in multigenerational family arrangements, rather than in "traditional" families have higher income, holding family size constant. Social policies that do not focus on the issues of insufficient wages, job security, education, racial, sex and wage discrimination and child care needs will only fail.

Family structures in America have been changing rapidly. Social policies aimed at supporting the family, particularly single mothers with dependent children are inefficient, unhelpful and often inappropriate. Aid to Families with Dependent Children (AFDC) and other means-tested welfare programs undermine the labor force attachment of poor single mothers by promoting female headship and reducing the likelihood of marriage. With low wages, little available and affordable child care and expensive health insurance, poor women have few options but to remain taking welfare. Data that attend to the real life circumstances of single mothers, the types of family structures in which they live and the needs of these new families are needed and would perhaps reshape and improve the social welfare policy making

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process and interventions. This paper examines the variety and complexities of living arrangements of women and their children in the state of Hawaii. To date, little has been reported about the changing living arrangements of new family structures and how they may influence and support its members. Of particular interest here are the new forms of nontraditional families that are female headed with dependent children.

Changes in Family Structure and Living Arrangements

In America, a significant proportion of adults (and their children) are currently experiencing a dramatic reorganization of the family. The U.S. *Bureau of Census* reported that the number of white families headed by single mothers increased by 105% from 1970–1984. For black families the increase was 150%. Bum-pass (1984) reported that a full 86% of black children and 45% of white children will spend a part of their youth in a female headed family. The Census reported in 1984 that almost 60% of all black families and 20% of white families were headed by single females (Nichols-Casebolt, 1988). The “traditional” family is changing and the changes are profoundly affecting women. Two decades ago, the modal American family consisted of a working father, a stay-at-home, nonemployed mother and at least one child. This constituted almost 70% of all households. Today, this “norm” accounts for less than 11% of all families in America. In less than 20 years, family structure in the United States has changed from the nuclear family arrangement into many, more varied patterns, and no one category comprises a majority.

Changes in family structuring that result in a female headed household may occur in two distinct ways: marital disruption and out of wedlock births. The high divorce rate in the United States has had a significant social impact on all family members but it has particular impact on the quality of life of the adult women (DeFrain, 1981; Hopkins, 1987; Pearce, 1979; Bhar, 1983; Espenshade, 1979). Most mothers are unable to earn sufficient income to support themselves and their children so that after a divorce, many mothers find themselves in poverty. Cultural stereotypes continue to influence the patterns of child care responsibilities so that mothers retain the physical custody (and the

costs) of children after a divorce. Even with the recent popularity of Court decreed joint custody, the vast majority of mothers must seek child support from their ex-husband to supplement their inadequate wages. (Little, 1982; Espenshade, 1979).

The second factor causing changes in family formations and the role of women is the large number of young mothers having babies and not marrying (Hoffert, 1987). Each year in the United States, over 1.3 million 13-19 year olds become pregnant. Adolescents are now responsible for one out of every five deliveries and many of these pregnancies were unintended and are unwanted; yet less than 7% of these teenagers give up their babies for adoption (Tietze, 1978). Teenagers who marry and have children tend to experience social, legal, psychological, educational and economic difficulties as they attempt to bring up their children. And since 500,000 babies are born to unwed mothers each year, these mothers face additional difficulties when bringing up their children alone. Teenagers have more marital problems and a higher divorce rate than couples marrying in later years.

Teenage pregnancy is the most common reason for dropping out of school and young mothers seldom recapture their lost years of education. This seriously reduces their future choices and has long term ramifications for future employment possibilities. Young parents' educational setbacks are frequently irreparable. Early motherhood is usually followed by unemployment, reduced income and dependency on public welfare. Moore and Burt (1982) found that young mothers were twice as likely to fall below the poverty line as women having their first babies after their teenage years.

Thus, while less than 50% of all American children will spend their childhood living in families composed of both natural parents, little social policy has been specifically formulated or adopted to assist such families. Traditional welfare programs such as Aid to families with Dependent Children do not adequately meet the needs of this new, but common type of family. New mothers often must set up separate domiciles apart from other family members, in order to receive welfare benefits. Support systems and relatives living in the mother's household threaten the mother's eligibility for public support. Thus, while there is political rhetoric about strengthening family life, the

cuts in federal welfare programs have merely decreased poor mothers' well being.

Poverty Among American Mothers

Female headed households, while perhaps varied in their living arrangements, have one strong characteristic in common—they are poor. Half of all of the female headed families are poor and dependent on welfare (Bell, 1987). These families have a substantially higher rate of poverty than any other category of the poor including the disabled and the elderly. And while affirmative action legislation may have brought about the entry of more women into traditionally male-dominated, higher-paying occupations and professions, there is a clear and disturbing trend of increasingly large numbers of women (and women who work) entering the ranks of the poor. Studies consistently find the majority of female headed families at the bottom of the scale on every measure of economic well being (McLanahan and Garfinkel, 1989). The Census Bureau in 1985, estimated that even when in-kind benefits were calculated for mother-only families, between 29-41% remain poor. Even this lowest estimate far exceeds the post transfer rate of the aged (2.5%-11%) and two-parent families (9.1%-10.9%). (The large range is due to the method of calculating the value of post transfer benefits).

Contrasted with the 1970s, female headed families are now remaining in poverty for longer "episodes". In 1984, mother only white families were living in poverty for about five years and black families for about seven years (Garfinkel and McLanahan, 1986). This represents a substantial length of time for a child to live in poverty. Ellwood (1987) concludes, after an extensive summary of the welfare dependency literature, that single mothers rarely leave welfare because they have found employment. Rather it is because the single mothers marry or the divorced women remarry. The small percentage of women who find an adequate job that permits them to leave public assistance, usually were better educated and trained *prior* to getting onto welfare. And most of the short term successes are among women who have *recently* been divorced or deserted, not among never married mothers.

A major reason for the increase in impoverished female-headed families is the failure (or inability) of fathers to provide sufficient economic support to their children. Duncan and Hoffman (1985) found that the income of recently divorced women one year after a divorce is only 67% of their pre-divorce income. Weitzman's study (1985) of the economic consequences of divorce reported that divorced women experienced a 73% decline in income one year after the divorce, compared to a 42% increase among divorced men. Studies of child support payments from the noncustodial father find that only a minority of women consistently receive the Court decreed support their children were awarded.

Another reason for these women's low standard of living is the low wages they earn. Wages for women remain significantly lower than for men and the lack of available and affordable child care severely limits single women's work opportunities. Public income transfer payments designed to assist children in need of support were never designed to bring them out of poverty.

Public Support for American Mothers

Policy analysts are now debating the influence of welfare supports on family formation. Some argue that an increase in welfare benefits (sufficient to move families above the poverty line) would result in the fostering of long-term dependency. This argument concludes that if the government increases or broadens its responsibility to care for needy women and their children, individuals will be less likely to feel responsible themselves and parents (usually fathers) will participate even less than they do now to support their children. Murray (1985) suggests that the increases in AFDC benefits have contributed to the large increase in mother-only families and is the reason why absent fathers do not feel an obligation to support their children or marry. Others critique this position as simplistic and contend that this analysis ignores the real difficulties families have in obtaining and securing employment with sufficient wages to bring a family out of poverty. It also makes no mention of the lack of affordable child care that a single mother needs if she is to secure employment, nor the reality of racial and sex discrimination in finding employment.

Ellwood and Bane (1985)'s careful analysis of welfare benefits and economic incentives conclude that AFDC does *not* appear to be the underlying cause for the dramatic change in family structure. Garfinkel and McLanahan (1966) study concludes that while welfare support may provide the funds for single mothers to set up separate living arrangements they find no data to support the contention that welfare dollars have influenced the rise in number of female headed households. Rather they suggest that, particularly for black families, the large increase in female headed families may reflect the decreasing employment opportunities for black men and thus the small pool of eligible marriage partners who could contribute to their support and their children (see also Wilson, 1987). The lower rates among white women may reflect some increased economic and employment opportunities for them that provide some economic independence and the ability to choose not to marry.

It is now being frequently suggested by politicians that families must be forced to become more financially responsible for the support of their children. Changes in AFDC policies now require relatives (even step-relatives) to assume financial responsibility for children in an attempt to shift the financial burden from AFDC to the parents of single mothers.

Private Support for American Mothers

In the face of failing social policies, many poor women receive assistance from their own families of origin. Mary Ann Scheirer (1983) contends that poor families who live in multi-generational households, experience some easing of the economic burdens by pooling their resources and achieving some economies of scale. There is also some evidence that the presence of multiple adults may improve the psychological functioning of family members (Kellam, Enominger, & Turner, 1977; Furstenburg, 1978). Stack's (1974) ethnographic work depicts the exchange of goods and services within family networks that helps to mute economic uncertainties.

Of particular interest in this research is the quality of life among women *not* in traditional family structures. Our concern is with mothers who are living alone or in nontraditional families. Mothers living outside of the "traditional" family structure

are likely to have fewer support systems, fewer social contacts and less access to support and resources than mothers living with partners or with other family members.

Definitions of Family Status

Since little quantitative data have been reported in the literature on the nature, incidence and circumstances of the many new forms of families, and since the Census Reports present data on families in very narrow, traditionally defined ways, the researchers turned to the U.S. Census Public Use Microdata Sample (PUMS). Use of the microdata allowed us to create new variables from the original census information so that a variety of family structures could be defined for our research purposes. It also enabled us to devise surrogate "quality of life" variables for manipulation. The data set was from the full U.S. Census questionnaire, including the detailed household and labor force experience data asked of 16% of the census population. The data for this paper were from a 1% sample from the state of Hawaii ($n=9638$), but the methodology is applicable to other states and for the U.S. as a whole.

Several different definitions of "family status" have been used in the research literature to describe the life circumstances of men, women and children. Two variables have been shown to have a significant relationship to women's economic status. These are: (a) household headship status (whether a woman is the head of a household, be it family or nonfamily), and (b) parental status (whether the woman has her own or partner's children living in the household and the age of the children).

Bradbury, Danzinger, Smolensky and Smolensky (1980) found a relationship between family status and poverty. Bell (1986) and Pearce (1979) also document the relationship between female household headship (particularly with children present) low income and welfare receipt.

We attempted to develop a family categorization scheme that more nearly reflects the variety and diversity of family types that now exist. From the census tapes, it was possible to identify women living in multigenerational households, or living with other adults present, as well as those who were living truly alone as single parents. We could thus consider a woman with a male

"partner or roommate" to be more like a married couple than a "nonfamily" household, as the Census would have classified them. For all women over age 15, we found 18 different living arrangements that could be described due to differences in the presence and age of children, number of generations in the household, and the relationships among the members of the household. The age distribution within these 18 classes reflects a life-cycle pattern of women living at home with family of origin, then becoming more independent and beginning to raise their own families, then at a later age moving again into a family-dependent situation (often an extended family) or into solitary life or an institution.

Ten of the 18 family arrangements related to women with dependent children. As these women are the focus of this paper, data are presented here only for "mothers", and for brevity have been restricted to 4 types which reflect the extremes of the range. These are: nuclear family (mother, husband/partner and child/ren); multigenerational family (mother, husband/partner, child/ren and adult's parent/s); single mother family (mother with child/ren only); and single mother in a multigenerational family. "Mothers" are defined as women who are responsible for their own or their partner's dependent children.

For the entire sample, ($n=352,500$) 26% were married women without children; 31% were married women with children; 6% were single mothers; 13% were women living alone or in a nonfamily situation; and 22% were women in a family household, but were not mothers or wives. The ethnic distribution within family arrangements appears to reflect the emphasis on individualism among caucasians, contrasting with the emphasis on group and family units among other cultural groups such as the Japanese and Filipinos in Hawaii.

Family Structure and Characteristics of Mothers

Hawaii's unique ethnic mix, where no one ethnic group is in the majority, is reflected in the ethnic distribution of family structures (see Table 1). Whereas caucasians are the largest single group, many other ethnic groups are strongly present. This suggests that these statewide data are a good source for the variety of family types which may be found across the United

Table 1

Ethnicity of Family Status Classes

RACE	FAMILY STATUS				
	Nuclear	Multi- generational	single parent	1 Mom Multigen'l	All Women
	(Percentage)				
White	34.8	15.3	33.6	34.4	32.1
Japanese	24.4	33.1	14.3	21.9	29.0
Other Asian	23.1	37.1	22.9	15.6	22.6
Hawaiian/ Pacific Islander	13.6	12.1	25.0	18.8	12.8
Other	4.0	2.4	4.3	9.4	3.5
TOTAL	100.0	100.0	100.0	100.0	100.0
TOTAL NUMBER	105,600	6,000	14,000	3,300	352,500

States as a whole. Blacks are less than 1% of the population of Hawaii, however their role in the socioeconomic structure is closely paralleled by that of the native Hawaiians—some 10% of the total population. As with the total U.S. population, the economically depressed minority groups in this study (Hawaiians and Pacific Islanders) are heavily overrepresented among single mothers. Caucasian women are slightly overrepresented in the single mother category. Multigenerational arrangements are much more frequent among the Japanese and other Asian groups.

The data indicate that almost 70% of mothers in Hawaii live in a functionally nuclear family with another 13% being single heads of households. These figures suggest that Hawaii may have a somewhat slower rate of change away from the traditional family form than the rest of the U.S. and that other "family" structures are emerging.

Using the broad indicator of mean total household income per person in the household as a quality of life measure, female headed families are clearly vulnerable to poverty. Thirty three percent of all single mothers are below the poverty line in Hawaii contrasted to only 5% of all married mothers. Women living

Table 2

Income, Poverty, and Labor Characteristics of Family Types

Family Status	Average Total Income	Average Household Income	Average Income/ Person	Percentage in Poverty	Average Wage Income	Percent in Full-Time Work
Nuclear	6289	25672	6412	7	8611	41
Multi-generational	6069	35888	5911	2	8139	48
Single parent	8165	10193	3494	40	8098	49
1 Mom						
multigen'l	7210	26861	5110	0	5775	56

alone or in a non-family situation are also extremely vulnerable to poverty with 29% of them falling beneath the poverty line. However, these aggregate statistics hide an important effect of living in a multigenerational family, which appears to provide substantial protection from poverty for the women who are able (or choose) to live in such an arrangement. (See Table 2) This finding supports Garfinkel and McLanahan's (1988) study demonstrating that welfare provides no incentive to live independently.

Comparison of the labor force status, income level, and poverty experience of mothers across the four family types confirms the points made in the earlier discussion.

Mothers living in a nuclear family have the highest average level of income per person in the household; 41% of them work full-time; 7% of these families still are in poverty but less than 4% are welfare recipients.

Married mothers in multigenerational families are on average a little younger and have fewer children than their nuclear counterparts. The average income per person in these households is low, but only 2% are below the poverty line and none are welfare recipients; 48% of these mothers work full-time. These data indicate that the extended family may indeed offer some financial protection (and child care benefits) to these mothers and their children as suggested by Scheirer (1983), and certainly relieves the state of welfare responsibility. In Hawaii, 70% of these mothers are of Japanese or other Asian ethnicity.

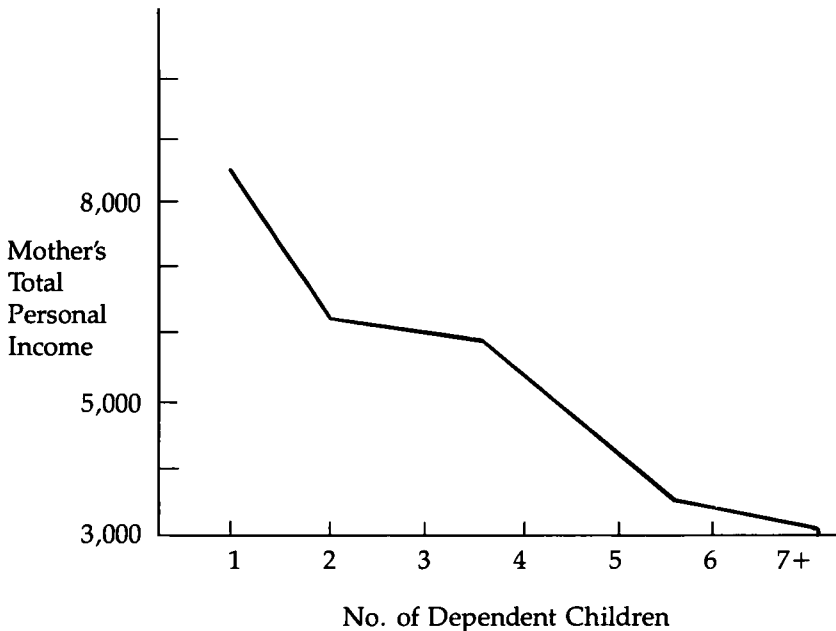
Single mothers have a similar age profile to their married counterparts, but are more likely to have only one or two dependent children. Importantly, they have the highest level of labor force participation (49% work full-time) and the highest average level of total income (reflecting some effect of child support payments), yet they are the most impoverished group with 40% in poverty and they live in families with the lowest average level of income per person in the household. Consequently, over half of those with young children and almost a third of those with older children are receiving welfare. Twenty-seven percent of the employed mothers are still living in poverty, thus while these mothers earn money to try to support themselves, many are unable to earn enough to raise their families out of poverty. Hawaiian and other Polynesian women are overrepresented in this group.

Single mothers living in multigenerational families are young (many had teen pregnancies) and often with only one dependent child, but with a high rate of labor force participation (56% work full-time). They earn significantly lower wages than other mothers, yet none of these families are living beneath the poverty line. Apparently, their relative inability to earn income (partly related to lack of education) is considerably offset by their access to income earned by other members of the household. Thus, it appears that for those single mothers for whom this option is available, multigenerational living arrangements raise the level of family income, holding family size constant, and contribute to an improved quality of life for these mothers and their children. Welfare receipt also reflects this, with only a quarter of these mothers of young children, and none of the mothers of older children having welfare income.

Children as the "Cause" of Poverty

Examination of the number of children mothers are responsible for elicited two important findings which have implications for policy development. First, there is a strong, inverse association between a woman's years of education and the number of children she had borne, regardless of her family structure. While this relationship may not be directly causal, it suggests that the fewer children a woman has, the greater her chances of educa-

Figure 1. Number of dependent children compared to the mother's total personal income

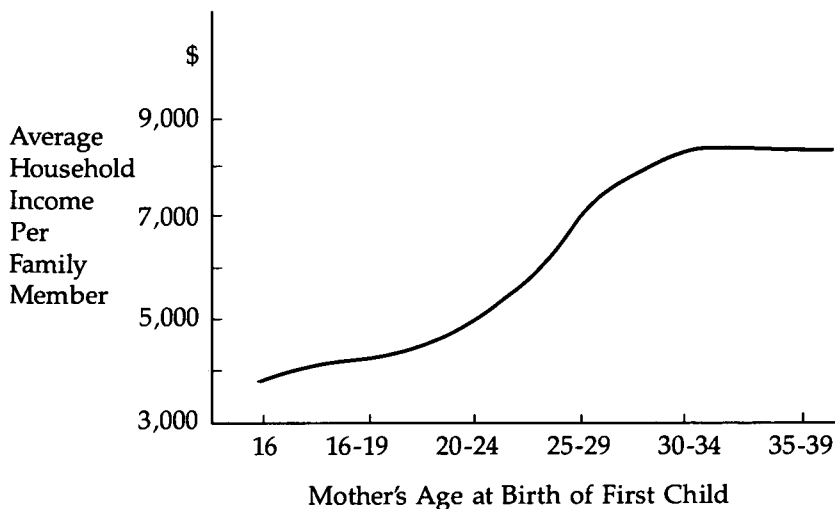


tional achievement. Similarly, the number of children was also strongly associated with the amount of personal income a mother earns (see Fig. 1).

Second, there is an unsurprising but patently clear association in the data between the woman's age at the birth of her first child and the average household income per family member, a broad indicator of quality of life. Thus teenage mothers live long-term in households with substantially lower total income than do women who begin their childbearing in later years (see Fig. 2).

As a final analysis, the researchers attempted to define the relative contribution of a variety of characteristics to the quality of life among these mothers using the poverty threshold as an indicator. This was done via a stepwise regression analysis of independent variables: the mother's age at the birth of her first child, the number of dependent children in her household, her educational level, race, family structure and labor force partici-

Figure 2. The relationship of the mother's age at birth of her first child and her household income



pation level, and the age of her child/ren. Table 3 displays the cumulative contribution of six of these variables that explain 35% of the variance in the poverty level of mothers.

The number of weeks a mother can work obviously contributes substantially to her ability to rise above the poverty level and this explains over 16% of the variance. However, her family structure, as defined by authors, contributes to the explanation of another 11% of the variance and thus may be considered an important factor in understanding the life circumstances of female headed households. Years of education, presence of school-age children, age at birth of the first child and membership in a minority ethnic group also help explain the likelihood that a mother will live in poverty.

Summary and Conclusions

These data confirm for Hawaii what has been suggested widely in the research literature for the rest of the United States. Women outside of the traditional nuclear family, attempting to raise children, are doing so in poverty and often without much public support. While many of these women are working full-

Table 3

Regression Analysis Summary Table For Poverty

VARIABLE	CUMULATIVE CONTRIBUTION TO VARIANCE
Number of Weeks Worked	16.6%
Family Structure	27.6%
Years of Education	30.8%
Presence of School-Age Children	33.8%
Age at Birth of First Child	33.8%
Member of Minority Race	34.1%

time, they are not able to bring themselves and their families above the poverty threshold. The quality of life for these mothers and their children is shrouded in economic hardship. The feminization of poverty may be mitigated somewhat by different living arrangements such as multigenerational families, however the young mothers currently being supported by their parents have few prospects for further educational attainment and their employment potential seems limited. Many unmarried mothers cannot live with their mothers because their mothers can not afford to house them. And many do not choose to remain in their family of origin. Attention to family structure has important implications for welfare policy formulation as family structure appears to be a significant factor in determining the quality of life among women, in particular their poverty status and that of their children.

The Hawaii data show that single mothers fall into at least two broad categories with differing welfare service needs. One is the category of women who have been married but are now divorced and are single heads of household. They have a high level of labor force participation, are relatively well educated yet are unable to bring their families out of poverty. Women in this group may be "displaced homemakers", in need of supported job training, preemployment training and/or possibly, additional education. Their greatest need appears to be sufficient income from their paid employment and other sources to keep

them and their families out of poverty. Guaranteed income proposals and universal family allowances seem to be relevant policy directions for this category of women. Access to affordable child care, particularly after school care, is also an issue for these women.

The second broad category is single women who are mothers who are imbedded in multigenerational families. These women usually have never married and became mothers in their teen years before finishing high school. This group also participates in the labor force, earns low wages commensurate with their lack of education, but they and their children seem to be protected somewhat from economic hardship by their multigenerational living arrangement. However, evidence from this analysis shows clearly that most teen mothers never finish their interrupted education. They are permanently at risk for falling into poverty should the protection of the older generation no longer be available. This group has been particularly neglected by policy makers, presumably because they are not now in poverty. It is clear that these women have special needs for access to continued education, job training and child care. This investment should pay for itself in enabling these women to reach their potential and contribute fully to society.

Policy Implications

The Hawaii research has two further implications for consideration by policy makers. First, the results highlight the need for research at the national level into the impact of family structure on poverty and welfare receipt so that effective and comprehensive welfare policies may be designed and implemented. In particular, it would be most useful if family structure, as these researchers have defined it, could be included as a variable in the Census questionnaire so that information of this type is more accessible to policy analysts. The research reported here is the first of its kind in the welfare literature and opens the way for exploration of a wide range of variables relevant to policy formulation.

Second, the study of the obvious logical relationship between early motherhood and lack of formal education should be replicated and updated to see if the association holds for the

nation. A teenage mother who has left school will need intensive assistance that may include several years of support until she becomes "job ready". And she may need help believing that more education is an opportunity that she should grasp. Many theorists now suggest that young, minority women have low self-esteem, and have lost faith in themselves and the system; many do not have the motivation to try anymore since they have seen and experienced so much failure.

A Role for Social Workers

Social workers have begun to call (again) for the introduction of family allowances in place of piecemeal attempts at welfare reform (see Kamerman and Kahn, 1987; Miller, 1987). Family policies must be designed to assist single working mothers and their children, whatever their living arrangements. Despite the dramatic increase in labor force participation of women, they remain at significant risk for poverty. They still earn the lowest wages, are most frequently employed only on a part-time basis and experience the most sporadic unemployment episodes. Policies that protect the working poor are needed with special attention to the mothers and children of our society. Examining and understanding the family structures of poor mothers and designing policies that truly help them get out of poverty should be the focus of social work intervention. This group is too large and their problems too severe to ignore. If the United States indeed is to become a "kinder and gentler" nation, we must address the problem of poor women raising the next generation of children.

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Book Review

SOCIAL SECURITY AFTER FIFTY: SUCCESSES AND FAILURES

Edward D. Berkowitz (Ed.). Westport, CT: Greenwood Press, 1987. pp. 168.

In many ways, this compact little book is a celebration. It is a celebration of the cornerstone of the American social welfare system, the Social Security Act of 1935. It is a celebration of the flexibility of an American political economic system that adjusts, somewhat reluctantly, to the vagaries of a capitalist system. Mainly, it is a celebration of the personality and work of three people instrumental in the development, implementation, and maintenance of an American institution; Wilbur Cohen, Robert Myers, and Robert Ball.

Berkowitz's introduction provides intimate insights into these three dynamic characters in American humanitarianism. More interestingly, he illustrates how diverse they were in philosophy and demeanor. Yet, he notes that it was precisely those differences that were vital to the structuring of an income maintenance system that has endured for fifty years. It has endured despite constant political attempts to alter its intent. It has endured despite frequent administrative efforts to undermine its scope.

Virtually every other article in this collection alludes to these points from a specialized scholarly perspective. Neff offers an historical overview of the first fifty years, focusing on the early years of social security. Aaron and Thompson orient the reader to an economist's thoughts on this American effort into collective responsibility. Their opening statement is clever in this regard. "Changes in the attitudes of American economists toward the U.S. social security program resemble the reported attitudes of English upper-class parents toward their maturing offspring. When the social security system was in its infancy, economists regarded it with great interest and affection. They ignored the institution during its childhood. As social security reached maturity, economists reacted with a mixture of embarrassment and

shock." This reviewer found the chapter by Derthick helpful in understanding the political-economic decisions to federalize all the categorical aid programs, but AFDC, under SSI. Achenbaum's contribution is a comprehensive and provocative piece on strategies for expanding the current social security system and creatively integrating it with other existing social welfare programs. In brief, if a person is interested in the social security system, this book contains something for everybody. That is both its strength and its weakness. The reader should be selective. Read only those chapters relevant to one's specific concerns, or some of the detail will become tedious.

Regardless of the admonition just presented, everyone should join in the celebration by reading Cohen's article and Myers' reply. It is a rare treat. Here are two "high priests" of social security comparing notes. Wilbur Cohen's optimism is infectious. Myers' actuarial pragmatism provides balance. Together, they give all of us potential cynics renewed hope.

Reviewed by James L. Wolk, Associate Professor Southwest Missouri State University, Springfield, Missouri

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