

Article

Welfare to Work before and after 1996 in the U.S.

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福祉から自立へ

—1996 年前後のアメリカの福祉改革—

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要約 : 1996 年は、アメリカの福祉にとって近年ないほどの大きな転換期であった。クリントン大統領(当時)の公約であった「個人責任と就労機会調停法」が 8 月に成立し、「要扶養児童家庭扶助」(AFDC)が廃止されたのである。「要扶養児童家庭扶助」は、アメリカの社会福祉制度の中でも最大規模のものであり、現代アメリカの貧困の象徴となっていた。この改革により、アメリカの福祉は「豊かな者が貧しい者に与える福祉」から「個人の自立を支援する福祉」へと舵をきることとなった。本稿では「個人責任と就労機会調停法」を概観し、1996 年以降の福祉受給者の変化を考察する。現代日本の福祉の理念である「自立支援」を精査するために、有効であると考えられている。

キーワード: 個人責任と就労機会調停法、福祉から労働へ、社会福祉改革

Keywords: PRWORA, Welfare to Work, Social Welfare Reform.

1. Introduction

Ten years has passed after significant social welfare reform in the U.S., namely “The Personal Responsibility and Working Opportunity Reconciliation Act of 1996” (PRWORA). A main object of the PRWORA is to reduce the number of the welfare recipients and promote self-sufficiency among low-income families especially single mothers and their children, so called “welfare to work”. Another significant change of this new legislation is to emphasize state responsibility as the federal government responsibility shrinks.

These two factors, helping welfare recipients' self-sufficiency and emphasizing state responsibility are quite similar to the concept of Japanese welfare reform, which has introduced as a comprehensive welfare reform plan since 2000 in Japan. Despite the different society and circumstance in the U.S. and Japan, it is important to examine impact of on low-income families and their lives as one possible model. This report includes an overlook of the US' welfare system before and after PRWORA, explains positive and negative opinions towards this law, and examines change of on low-income families and their lives.

2. Overlook of the US' welfare system before and after PRWORA

Before 1996, the previous program, “Aid to Family with Dependent Children” (AFDC) was an entitlement program designed to provide a safety net of cash assistance to needy family. Since its inception in 1935 as part of the Social Security Act, AFDC had been the main welfare program providing assistance to low-income single mothers. But a number of factors, particularly the rapid growth in the never-married single-mother population and a resumption of growth in caseloads in the early 1990s rendered the program unpopular. According to the U.S. Department of Commerce, in 1993, the nation had 36 million mothers 15 to 44 years old; 3.8 million of them were receiving AFDC payments to help with the rearing of 9.7 million children. An additional 0.5 million women over 45 years old and 0.3 million fathers living with their dependent children also received AFDC. The recipients of AFDC were mainly single mothers with their children. Approximately half of them were never married and they were relatively younger than when they had their first children. (See Figs. 1 and 2)

3. The Personal Responsibility and Working Opportunity Reconciliation Act of 1996

The U.S. Congress and former President Clinton signed PRWORA on August 22, 1996. PRWORA has drastically

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changed the U.S. welfare system into one that requires work. PRWORA replaced AFDC, AFDC administration, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance program with a cash welfare block grant

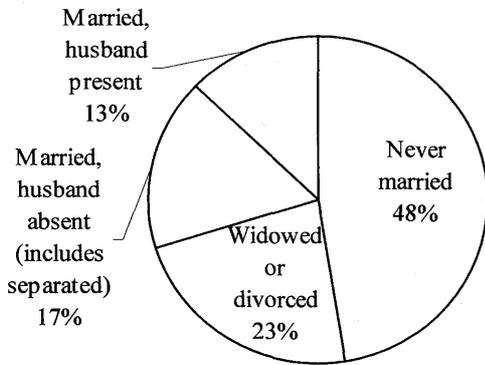


Fig 1 Nearly Half of AFDC Mothers Have Never Been Married
U.S. Department of Commerce 1995

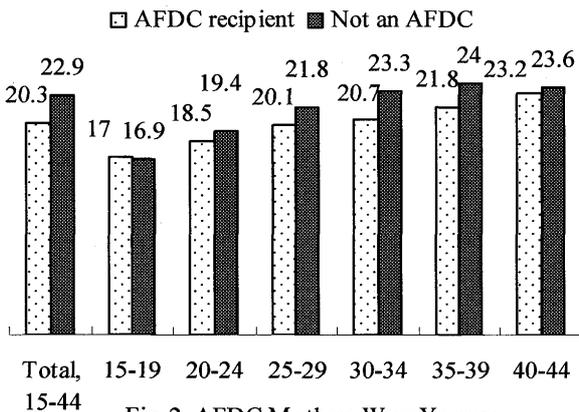


Fig 2 AFDC Mothers Were Younger When They Had Their First Child
U.S. Department of Commerce 1995

called the Temporary Assistance for Needy Families (TANF) program. Key elements of TANF include a lifetime limit of five years (60 months) on the amount of time a family with an adult can receive assistance funded with federal funds. This chapter concentrates on PRWORA: transforming “welfare to work” and promoting “states responsibility”.

PRWORA requires welfare recipients transforming “welfare to work” as following; recipients must work after two years on public assistance with few exceptions. PRWORA allows to states to impose sanctions and other requirements. Also, families who have received assistance for five cumulative years will be ineligible for cash aid and recipients can not receive cash aid any more through their lives. Recipients are required participating in unsubsidized or subsidized employment,

on-the-job training, work experience, community service, twelve months of vocational training, or provide child care service to individuals who are participating in community service. Up to six weeks of job search (no more than four consecutive weeks) would count towards requirement. PRWORA provides child care funding to help single mothers move into jobs. This law also guarantees that women on welfare continue to receive health coverage for their families, including at least one year of transitional Medicaid when they leave welfare to work. In addition, states are required to make an initial assessment of recipients’ skills. States can also develop personal responsibility plans for recipients identifying the education, training, and job placement services needed to move into the workplace. PRWORA also allows states to create jobs by taking money used for welfare checks and using it to community service jobs or to provide income subsidies or hiring incentives for potential employers.

PRWORA requires each state promoting responsibility as following; PRWORA provides uniform rules, procedures, and forms for interstate cases. The law requires states to establish central registries of child support order and centralized collection and expedited states procedure for child support enforcement. The law streamlines the legal process for paternity establishment, making it easier and faster to establish paternities. It also expands the voluntary in-hospital paternity establishment program and requires a state form for voluntary paternity acknowledgement. In addition, the law mandates that states to publicize the availability and encourage the use of voluntary paternity establishment process. Individuals who fail to cooperate with paternity establishment will have their monthly cash assistance reduced by at least 25 percent. Under PRWORA, states can implement tough child support enforcement techniques. It allows states to seize assets, require community services in some cases, and enable states to revoke drivers and professional licenses for parents who owe delinquent child support. Families no longer receiving assistance have priority in the distribution of child support arrears. This policy, namely “Family First”, brings families who have left welfare to work additional aid in support over the first six years.

Judging from above, PRWORA provides benefit and services for families, especially single mothers and their children to establish self-sufficiency, however, on the other hand, it seems to have compulsory and punitive aspects.

4. Barriers toward PRWORA

There are many barriers toward PRWORA program. First, the majority of women on welfare had their first child as a teenager. Most of these births now occur outside of marriage and are unintended. However, there is little support in the research literature for the proposition that denying benefits to this group will prevent such pregnancies from occurring. Modest impacts on marriage and abortion are more likely.

Second, Postmus (2000) indicated that 15% to 32% of women on welfare report experiences of domestic violence, while an additional 60% reported being abused in the past. Physical and emotional effects of this abuse that often require treatment include depression, anxiety, post-traumatic stress disorder, mental health problems, and substance abuse. She described that at the community level, not enough services exist to serve these multi-need clients. Also, there are many welfare mothers with complex barriers to employment, disabilities, or medical conditions. One of the most significant challenges facing states and localities related to serving the hard-to-serve population is identifying the specific conditions and disabilities clients have that may be a barrier to finding and maintaining employment.

Third, there are some barriers within job training programs. Steketee G, Frost R.O, & Cohen, I (1998) described that large numbers of employers interviewed; do not use vocational training organizations as either recruitment or hire sources. The reason is that there was a skills mismatch between the skills provided by public job training organizations and their company's hiring needs. Thus, Lundgren and Cohen suggested that job training program of PRWORA need to seek "company cooperation, increasing company knowledge about the quality of the skills training" and "more broad-based vocational training".

Finally, lack of reliable transportation is another barrier for welfare recipients, especially rural area. Many States are already working to break down the transportation barriers for welfare recipients. For example, according to the U.S. Department of Health and Human Services, Kentucky has taken a comprehensive approach to providing coordinated transportation. Four cabinet offices, Families and Children, Health Services, Workforce Development, and Transportation, combined transportation resources to develop a new coordinated transportation system for all their participants.

North Carolina and New Jersey are helping counties to bring together the transportation, social services, and employment programs to address client mobility needs and are identifying underutilized transportation resources, including school buses, for employment transportation. The guide features innovative transportation approaches to meet the needs of welfare recipients and other low income persons.

5. Highlights of "Temporary Assistance for Needy Families"

Many families with incomes below the poverty threshold depend, at least in part, on TANF, which succeeded AFDC in 1997 as part of federal welfare reform. (All states were required to implement TANF by July 1, 1997). States set AFDC/TANF benefit levels and benefits vary widely from state to state. In 2005, the maximum benefit for a family of three (a parent with two children) was \$170 per month in Mississippi and \$923 in Alaska. States also have broad discretion to determine who will be eligible for various TANF-funded benefits and services. The main federal requirement is that states use the funds to serve families with children, so that each state can set different eligibility tests for different programs funded by the TANF block grant. For example, Georgia provides the monthly cash assistance program for poor families with children under age 18. A family of three (mother and two children) may qualify for TANF if their gross income is below \$784 a month and assets are worth less than \$1,000. Another state could choose to limit TANF cash assistance to very poor families, but provide TANF-funded child care or transportation assistance to working families with somewhat higher incomes.

States must also meet "maintenance of effort (MOE) requirement" by spending on needy families, so that TANF gives states wide latitude in spending both Federal TANF funds and state MOE funds. Subject to a few restrictions, TANF funds may be used in any way that supports one of the four statutory purposes of TANF: to provide assistance to needy families so that children can be cared for at home; to end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; to prevent and reduce the incidence of out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Although states have used their TANF funds in a variety of ways, including: income assistance; child care; education and job training; transportation; and a variety of other services to help families make the transition to work, more than half of TANF

funds are spent for cash assistance and child care services (See Fig.3)

Federal law requires that half of the families receiving assistance under TANF must be engaged in some kind of work-related activity for at least 30 hours a week. States get

credits for reduced caseloads, however, and are currently effectively required to have much less than half of families engaged in federally-defined work activities. States have generally exceeded the minimum federal requirements for the

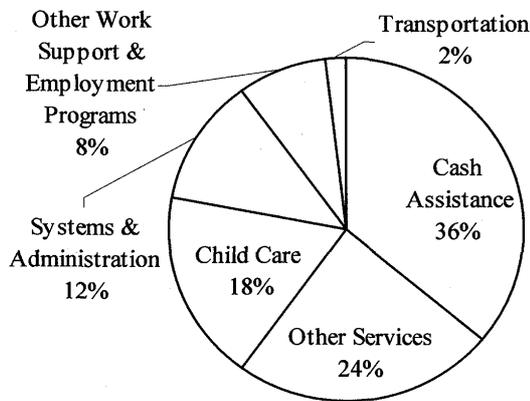


Fig 3 How Tanf Dollars are Spent
Center on Budget and policy Priorities 2005

number of families participating in work activities.

6. Impacts of welfare reform on families

Since the advent of PRWORA, numerous attempts have been made by demonstrate to support or object to the law. However, one important fact is that the number of welfare recipients decreased significantly. The dramatic drop in welfare participation among single mothers actually began in 1997, after PRWORA's enactment (See Fig 4); also the dramatic increase in work (See Fig.5).

Judging from above, TANF recipients have decreased significantly in the first five years, and overall, the number of single parents who now work has risen markedly. Researchers generally agree that a combination of factors led to reduced caseloads and increased employment rates, including a strong economy, state welfare-to-work efforts, other TANF-related policies, and strengthened work supports, such as the expanded Earned Income Tax Credit, increased availability of child care assistance, and improved child support collections.

On the other hand, some researchers continue to hold the negative view of these statistics. Scott Winship and Christopher Jencks (2004) described that official poverty rates ignore non cash benefits such as food stamps and Medicaid, the major healthcare program for low-income families. In addition, the official poverty rate at face value is that poverty estimates are

based solely on income and family composition, and are not adjusted for work-related expenses. They indicated that working usually increased these mothers' income, but in most cases it also increased their expenses for childcare, transportation, and clothes. Greater participation in the formal labor market is also likely to have reduced welfare recipients' earnings from off-the-books jobs, as well as the amount of financial help they got from family members. One might therefore expect the shift from welfare to regular employment to increase unmarried mothers' reported income more than it increased their standard of living.

In view of impacts of welfare reform on children, according to Child Trends Data, review of 7 welfare-to-work programs

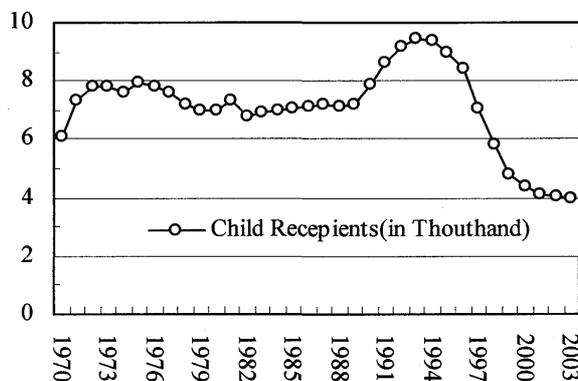


Fig 4 Child Recipients of AFDC/TANF
U.S. Department of Health and Human Services, 2005

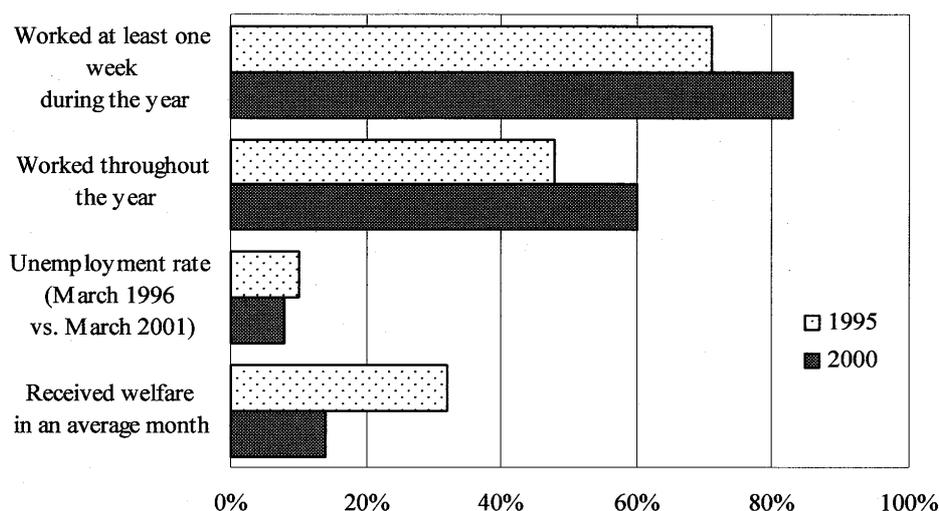


Fig. 5 Percentage of single mothers who vs. percentage who get welfare

U.S. Department of Health and Human Services, 2005

status, for example through earned income disregards, there were positive impacts for children particularly in the area of academic and cognitive development. Another review of studies found that programs, especially those that raised family income, had positive impacts on the school achievement of children transitioning from early childhood to elementary school (4 to 5 year olds), but had negative effects for adolescents.^{5, 6.}

7. Strengthen Welfare Reform

Since 2002, President Bush proposes six important changes to strengthen Welfare Reform that his administration: Recognizing the formidable costs of meeting the challenges ahead, the plan would sustain funding for TANF, the Child Care Development Block Grant, and related programs, while increasing state flexibility to use those funds. Building on new information about the effects of alternative welfare reform approaches on children, the plan would establish children's well-being as one of TANF's overarching purposes. Stimulating states' interest in and know-how about sustaining and promoting marriage, the plan proposes substantial investments in innovation and experimentation in this area. Helping to simplify administration, the plan would clarify the definition of "non assistance" - the list of TANF services and benefits that do not count as welfare benefits and thus are not subject to the welfare time-limit clock. Giving further support to recipients who take jobs, the plan would make the Food Stamp program more worker-friendly and the child support program more

family-friendly by getting more money into the hands of families. Child support orders would be made more responsive to the changing ability of fathers to pay. The plan proposes to reduce the caseload reduction credit while ratcheting up participation standards - giving added emphasis to the strong message TANF already sends to the states, namely, that work and the reduction of welfare caseloads are the central goals. The plan aims to achieve this goal while permitting limited use of education and training as well as services for the hard-to-employ, but only during the first three months on the rolls and thereafter only if the participant works at least 24 hours a week.

8. Conclusion

The social-policy reforms of the 1990s dramatically increased the proportion of single mothers who worked. PRWORA has helped welfare recipients' work toward independence and self-reliance. However, one final point should be made about the poor single mothers. Martha Coven (2005) noticed that stop receiving TANF income assistance show that at any point, about 60 percent of former welfare recipients are employed, while 40 percent are not. Those who work generally earn low wages and often remain poor. In a review of studies of families who left welfare and are working, the Center for Law and Social Policy found that working former recipients tended to earn between \$6 and \$8.50 per hour. For reasons mentioned above, some poor mothers might become more poor and hopeless.

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