



# ADVOCASEY

DOCUMENTING PROGRAMS THAT WORK FOR KIDS & FAMILIES

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## WORK FIRST, WHAT NEXT?

A SPECIAL REPORT ON THE FUTURE OF WELFARE REFORM

### PHASE TWO:

Riverside County Begins Moving Welfare Recipients from "Work First" to Real Careers

### WHAT ABOUT THE CHILDREN?

New Evidence and a New Focus on How Welfare Reform Affects Young People

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Philadelphia Offers an Alternative to "Sink or Swim" for the Least Job-Ready

### THE STORY BEHIND THE STORY:

An Interview with *New York Times* Correspondent Jason DeParle

A WORKING SOLUTION Welfare Reform: The Next Generation

# WELFARE REFORM

## AN UNFINISHED JOURNEY

### DEPENDENCY: THE DECLINE SLOWS

Change in the number of families nationwide receiving federal cash welfare benefits from January 1994 to July 2001: -58.8 percent

Change in the number of welfare families from July 2001 to December 2001: +0.7 percent

Number of states (including the District of Columbia) where the population of welfare families increased between July 2001 and December 2001: 40

### EMPLOYMENT: INCREASINGLY COMMON BUT OFTEN UNSTABLE

Increase from 1995 to 2000 in the proportion of single mothers nationwide who worked: from 64.0 percent to 75.5 percent

Estimated percentage of adults leaving welfare for work in the late 1990s who worked in all four quarters during their first year off welfare: 50

Percentage of former welfare recipients in 1999 who worked full-time: 32

### POVERTY: DOWN OVERALL, BUT PERSISTENT AMONG WELFARE FAMILIES

Decrease from 1996 to 2000 in the poverty rate among American children: 21 percent

Percentage of families who left the welfare rolls from 1997 to 1999 who remained in poverty in 1999: 41

### WORK SUBSIDIES: EFFECTIVE BUT UNEVENLY AVAILABLE

Among experimental welfare programs in a recent evaluation that supplemented the incomes of welfare parents who worked by disregarding a large share of their earnings when calculating welfare benefits, number that resulted in academic improvements among school-age children: 4 of 4

Among welfare programs in the same evaluation that mandated work but did not significantly supplement working parents' income, number that resulted in academic improvements by school-age children: 1 of 6

Number of states in 2000 offering financial incentives (i.e., earnings disregards) sizable enough to supplement the incomes of working welfare families earning the federal poverty level: 9

Number of states whose income disregards phased out before working welfare families earned half the poverty level: 11

### WORK RULES: TOO MUCH OF A GOOD THING?

Number of hours per week that single welfare parents must spend in jobs or approved work activities to be considered active participants under new rules proposed by the Bush administration and approved by the U.S. House of Representatives: 40 (up from 30 in the current welfare law)

Percentage of married mothers with dependent children nationwide who worked less than 35 hours per week in 2001: 49

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by Douglas W. Nelson

The president of the Annie E. Casey Foundation spells out five principles for welfare reauthorization.

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California's Riverside County helped put "Work First" on the map; now it's pioneering strategies to move welfare recipients into gainful careers.

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## RENEWING WELFARE'S FOCUS ON THE WELL-BEING OF KIDS

When Congress passed a sweeping welfare overhaul law in 1996, the focus was almost entirely on moving parents off welfare and back to work. Six years later, the policy spotlight has begun swinging back toward the well-being of children, propelled by a mass of new information on how welfare reform has affected them thus far.

**22 SWIMMING LESSONS** by Tom Waldron

In Philadelphia's Transitional Work Corporation, long-term welfare recipients get their feet wet in the world of work before sinking or swimming on their own.

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JASON DEPARLE

Currently on leave from the *Times* to write a book about welfare reform, DeParle steps away from his keyboard to describe the lessons he's learned covering the welfare beat for the past decade.

Cover photo: Patricia King, a graduate of the Transitional Work Corporation in Philadelphia, has found success in the world of work after 15 years of welfare dependency. Story on p. 22.

BY DOUGLAS W. NELSON

## WELFARE REFORM: THE NEXT GENERATION

Six years into our historic experiment with welfare reform, America has much to celebrate. We have replaced a welfare system that long accommodated dependency with a new program that is beginning to reconnect families to the economic mainstream.

This year's debate to reauthorize the federal welfare law—known as Temporary Assistance for Needy Families or TANF—offers an opportunity both to further reduce welfare dependency and to improve the quality of life for vulnerable children and families. Capturing these opportunities, however, will require our leaders to examine the evidence, strengthen a bipartisan consensus, and avoid unwarranted policy shifts that might jeopardize the positive momentum generated since 1996.

Simply put, the next phase of welfare reform, the next assault on family poverty, must begin with work. But it must not end there. We can achieve wholesale improvements in the fortunes of needy children only if we continue to insist that able-bodied parents work for a living—and if we also help those disadvantaged parents turn jobs into real self-sufficiency and better support the healthy development of their children.

To get there from here, our nation's leaders should be guided by three principles. First, do no harm. Second, concentrate on filling the obvious gaps in the TANF law. Third, begin taking steps to integrate welfare reform with other federal programs in a more unified and comprehensive system to help low-income families. Specifically, Congress should take the following experience-based, common-sense steps.

*Create Practical Work Requirements.* One byproduct of welfare reform's dramatic success since 1996 has been to take the teeth out of federal work participation requirements. The TANF law required

states to engage 50 percent of adult welfare recipients in 30 hours per week of work activities. But the law gave states credit against this standard for recipients who left the welfare caseload. As the welfare rolls plummeted, the work requirements became irrelevant.

In retooling TANF this year, Congress should rewrite the work participation rules and create incentives for states to engage a high proportion of welfare recipients in work-related activities. At the same time, however, expectations for families and for states must remain practical.

The Bush administration has proposed and the House of Representatives has approved new work

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rules that would require states to engage TANF recipients in 40 hours of work-related activities each week, including 24 hours of paid work or unpaid work experience. The administration would also require states to engage 70 percent of welfare participants in work activities, up from 50 percent in the 1996 law, and it would gradually stop granting credit to states for welfare recipients who have left the rolls since 1996.

As written, these rules would likely do more harm than good. Every parent knows that balancing work and childrearing responsibilities is a delicate challenge. It is all the more difficult for single parents with young children living in economically fragile families. Many of these parents already juggle too

many responsibilities; we should not preclude the option of part-time employment. Indeed, many of welfare reform's successes in recent years involve recipients who began their journey to earnings in half-time jobs.

For states, the requirement to involve 70 percent of welfare recipients in work activities will require substantially more spending on child care and on supervision of unpaid work experience. This would divert resources away from job search programs and wage supports that have been at the heart of states' success in recent years. As Gordon Berlin of Manpower Demonstration Research Corporation told Congress this spring, "Instead of focusing on getting people off of welfare, states may become preoccupied with keeping everyone busy while they are on welfare." That would be a move in the wrong direction.

*Stop the Time Limit Clock for Working Families.* As part of welfare reform, many states now provide continuing wage supplements to TANF parents who begin working at low-wage jobs. Research shows that these subsidies reward work effort, help families escape poverty, and lead to improved educational success for children. But in many states, the clock of welfare time limits continues to tick against working families receiving these benefits—counting against their five-year lifetime limit on welfare eligibility. The federal government should follow the lead of states like Illinois, Maryland, New Jersey, and Pennsylvania that have opted not to penalize parents who work to support their children. Specifically, federal rules should require that the five-year time limit on TANF benefits not apply in months when families work at least 20 hours per week in unsubsidized employment.

*Provide More Child Care.* Few would deny that reliable child care is essential for low-income families, especially those who leave welfare for work. Currently, however, fewer than 12 percent of eligible families receive support from the Child Care and Development Fund, the largest federal child care program, and studies tracking families leaving welfare show that only about one-third receive state-funded child care assistance.



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*The Annie E. Casey Foundation* is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs.

*The Annie E. Casey Foundation* was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother.

Editor: Dick Mendel

## Welfare Reform: The Next Generation

Also, the Center for Law and Social Policy estimates that if the Bush administration's work participation rules are enacted, states would need almost \$8 billion more over the next five years to meet the added child care needs of families who remain on welfare. And that figure does not include additional investments to improve the quality of child care—an urgent priority.

The welfare reauthorization bill passed by the House in May offers a down payment on these needed child care investments—about \$2 billion over ten years. Even larger increases in federal child care spending are clearly needed.

*Focus on the Well-Being of Children.* In his welfare plan, President Bush called for a historic change to make child well-being a core goal of the TANF law. The recommendation is wise and welcome.

In their eagerness to reduce welfare dependency and encourage work, national and state policymakers have often in recent years overlooked the original purpose of the welfare system—protecting our nation's most vulnerable children. The president's proposal marks an important step toward reversing this oversight. Needed now are thoughtfully crafted indicators of child well-being and clear regulations that require states to monitor and report on these outcomes every year.

The Foundation's long experience with KIDS COUNT and other data-driven initiatives has proven that indicators of child well-being can be powerful tools to focus policymakers' attention on the needs of low-income families and generate momentum for effective policy responses.

*Grant States Sensible Waiver Authority.* A final key to continued progress must be a sensible measure of increased autonomy for states to test new approaches for integrating welfare reform with other programs to aid low-income families—both welfare recipients and the working poor. Given that welfare payments supported six and a half million fewer children in 2001 than in 1994, and given that many former welfare families continue to struggle in poverty, it is clearly time for a unified approach.

Just as clearly, states should be the laboratory for developing and testing new strategies to weave TANF together with child care, job training, higher education, tax credits, housing assistance, and other federally funded programs for low-income families. The 1996 TANF law granted states unprecedented latitude to design and implement welfare programs free of extensive federal rules and oversight. This flexibility proved well-warranted: most states rose to the challenge and made welfare reform a success.

But state flexibility must include real accountability. The House TANF bill authorizes a new “superwaiver” that could allow governors, with the okay of a federal cabinet secretary, to disregard thoughtful provisions from a wide range of social welfare programs—perhaps even to ignore the intent of some federal programs entirely. Put simply, the superwaiver, as drafted, is too open-ended. Instead, Congress should offer waivers on a limited and strategic basis—requiring states to plan carefully and be held accountable for evaluated results in better achieving the core purposes of federal statutes. By offering a limited number of waivers—five or fewer each year—Congress can consciously encourage innovation and integration by states without abandoning important federal safeguards for vulnerable families.

*Conclusion.* If the experience of the past six years shows us anything, it is that work requirements are not an enemy of poor children and families. But neither are they a salvation. Even with the great successes of welfare reform to date—rapid reductions in the welfare rolls, and rising employment and earnings among formerly dependent parents—many or most former welfare families still struggle in poverty. By following the principles spelled out here, TANF reauthorization can help preserve the progress achieved since 1996. It can also foster innovations that can help millions of families to escape not only welfare, but also hardship.

*Douglas W. Nelson is the president of the Annie E. Casey Foundation.*

# WORK FIRST,





# WHAT NEXT?

CALIFORNIA'S RIVERSIDE COUNTY HELPED PUT "WORK FIRST" ON THE MAP. NOW IT'S PIONEERING STRATEGIES TO MOVE WELFARE RECIPIENTS INTO GAINFUL CAREERS. BY DICK MENDEL

Had Joyce Munyan known more about Riverside County and its hard-nosed welfare program, she might never have moved there from San Diego in 1999.

Today, she's glad she did.

Munyan's first year and a half in Riverside epitomized all the gritty realities of our nation's welfare reform experiment thus far—tougher rules, more work, frequent job turnover, reduced dependency, and low income.

But since then, Munyan's experience offers a hopeful glimpse at how the nation might tackle the unfinished business of welfare reform—helping families move not just off welfare, but also out of poverty.

Munyan didn't know before she moved that Riverside County—a 7,300-square-mile expanse of sprawling suburbs and rugged desert stretching from Los Angeles and Orange Counties to the Arizona border—has been a national pioneer in the crusade to “end welfare as we know it.”

With a big boost from the Phase II program, Kandis Helm has left behind her sporadic job as a housekeeper and become a full-time substance abuse treatment counselor.

Almost a decade before the historic overhaul of the nation's welfare system passed Congress in 1996, Riverside broke with tradition and began demanding that welfare recipients go to work. Rather than assigning them

to education and training programs first and job placement later, Riverside began pushing welfare recipients quickly into jobs, any jobs. This so-called “work first” approach reversed decades of accepted welfare-to-work practice. And it worked.

An exhaustive evaluation of California's welfare reform programs in 1994 found that Riverside's work first program far outperformed the experimental welfare initiatives of five other California counties. In fact, Riverside's successes were “greater than those found in previous large-scale experimental studies of state welfare-to-work programs,” the high-profile evaluation found. Soon, work first was revolutionizing welfare-to-work programs across the nation.

“Here they want you to do something with yourself, not just sit around,” says Munyan, who gave birth to the first of six children as a teenager in 1979, dropped out of high school the next year, and spent most of the next two decades on welfare.

Within months of her arrival in Riverside, county welfare officials began pressuring Munyan to work. “I didn't like it,” she recalls. “My counselor and I bumped heads.”

Nonetheless, Munyan did go to work.

Unfortunately, like millions of other welfare recipients in recent years, she learned that employment is not necessarily a one-way ticket to economic security.



In February 2000, Munyan visited a temporary employment agency that sent her to work in a warehouse. The assignment ended after less than six months. Next the temp agency placed her in a telemarketing position. By fall she was out of a job again, ready to pound the pavement once more.

This time, Munyan got some extra help. That's because rather than resting on its laurels, Riverside County launched an ambitious new project in 1998—called Phase II—to assist work first participants whose initial jobs offered limited hours, low wages, or both. Phase II strives to help these new workers develop career plans and seek out the training they need to capture more stable and lucrative employment. So long as they keep working, that is.

While outcome data for Phase II are not yet available, Riverside has placed more than 2,000 participants into education and training programs over the last three years. Many questions remain, but national experts are beginning to take notice.

"I have not been anywhere, in all honesty, that seems to have the level of participation in education and training among working [welfare] recipients that we've observed there," says Mike Fishman of the Lewin Group, a consulting firm that is helping to evaluate Phase II as part of a 15-pronged national study of job retention and advancement strategies.

Fishman and other experts caution that Riverside's Phase II model remains unproven. "It's a real open question as to how much [participants] will benefit from education and training," he says.

### Why Work First?

Prior to the massive federal legislation to overhaul welfare in 1996, says veteran *New York Times* correspondent Jason DeParle, "The whole history of welfare reform had been promises of bold change followed by tepid action." (To read **ADVOCASEY'S** interview with DeParle, see p. 32.)

Until the mid-1990s, most welfare recipients remained uninvolved in welfare-to-work activities. Expensive education and job training programs—as opposed to short-term work readiness and job placement—remained the first activity in many welfare-to-work

Joyce Munyan bumped heads with Riverside County caseworkers when they began pushing her to work in 1999. But resentment turned to gratitude after Munyan entered Phase II, returned to school, and captured a \$13 per hour hospital job.



programs. But this classroom training yielded very low success rates, and most jurisdictions continued to enroll only a small percentage of able-bodied welfare recipients in work programs.

Beginning in 1987, Riverside County dared to travel in a different direction. Riverside demanded that able-bodied welfare recipients begin job search activities and take the first job available. "We don't *necessarily* feel obligated to find a high-paying job for the GAIN participant," declares one write-up from Riverside County's GAIN (Greater Avenues to Independence) welfare-to-work program office. "For many, entry-level or trainee positions are appropriate."

If no job materialized quickly, participants were assigned first to further job readiness and job search workshops and then into work experience (i.e., workfare) assignments with local government agencies or nonprofit organizations. If welfare recipients refused to participate, the county quickly imposed sanctions and reduced the amount of their checks.

The message was clear: In Riverside County, there was no longer such a thing as welfare without work.

### Work First Works!

In 1994 the Manpower Demonstration Research Corporation (MDRC) published a multiyear evaluation of experimental welfare reform programs in six California counties. Of the six, "Riverside clearly stands apart from the other counties," MDRC found. "Its staff placed much more emphasis on moving

registrants into the labor market quickly than did the staff of any other county.”

For the study, MDRC randomly assigned welfare recipients in each county either to the experimental programs (like Riverside’s work first model) or to control groups receiving traditional welfare services. Then it tracked participants’ success over time. The results were striking: welfare recipients in Riverside’s work first program held jobs 25 percent more often than those in the control group. Work first participants earned \$3,113 more than the comparison group over three years, and they cost taxpayers \$1,983 less in public assistance payments.

Each of the other five counties also increased the earnings of participants, and four of the five also reduced welfare payments over the three years studied. But the magnitude of their successes paled in comparison with Riverside. Overall, Riverside increased participants’ net income by \$1,900 over the three years, the most of any county, and it saved government agencies \$2.84 for every dollar spent to deliver its program—more than twice the return of any other county.

### Better, But Not Good Enough

When MDRC published a guide to implementing the work first approach in 1997, its praise for Riverside

was tempered with a caveat: “The Riverside program did not lift many people out of poverty and did not eliminate the need for welfare, since many participants remained on the rolls.”

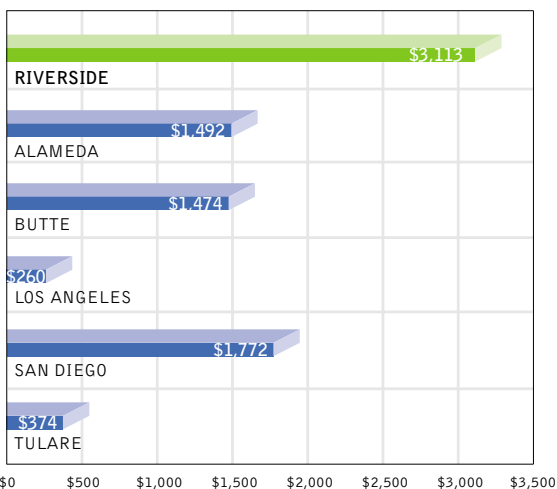
Despite surpassing the success of the other California counties, only 23 percent of participants in the Riverside program were both employed and off welfare at the end of the three-year evaluation period. In the third and final year, only 14 percent of Riverside’s work first participants earned \$10,000 or more, while 56 percent had no income at all.

Due to job turnover, unstable hours, and limited pay increases, low incomes like these have been the norm in welfare-to-work programs throughout the country. In Ohio, for instance, just 40 percent of those leaving welfare worked the entire year after exiting the welfare program, the Joyce Foundation reported this April. In Illinois, 55 percent of those leaving welfare for work lost their jobs within six months.

Nationwide, one-third of former welfare recipients had to reduce or skip meals due to financial hardship, the Urban Institute reported earlier this year, while 46 percent were unable to pay their mortgage, rent, or utility bills at least once in the prior 12 months.

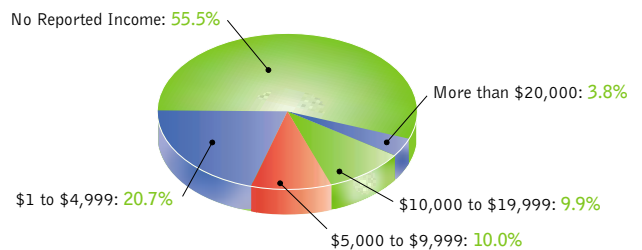
### WORK FIRST WORKS...

Income Gains Over Three Years in Riverside County’s Original Work First Program Versus Welfare-to-Work Programs in Five Other California Counties



### BUT FEW PARTICIPANTS EARNED FAMILY-SUPPORTING INCOMES

Earnings of Riverside Participants in the Third Year After Entering Work First



Source: GAIN: Benefits, Costs and Three-Year Impacts of a Welfare-to-Work Program (New York: Manpower Demonstration Research Corporation, September 1994).

## A New Imperative: Retention and Advancement

While many advocates have tried to blame work first programs for these struggles, the reality is more complex. Finding a job—the goal of work first as well as most job training programs—is just one step on what is typically a rocky journey from welfare to stable employment. To achieve long-term economic success, new workers must also be able to keep their jobs and advance in their careers.

Unfortunately, few welfare-to-work programs have dedicated themselves to helping welfare recipients retain jobs or advance to better ones. Meanwhile, independent evaluations of pilot programs that do emphasize retention and advancement—including one effort in Riverside County—have yielded disappointing results.

*Finding a job—the goal of work first as well as most job training programs—is just one step on what is typically a rocky journey from welfare to stable employment. To achieve long-term economic success, new workers must also be able to keep their jobs and advance in their careers.*

In 1999 Mathematica, a policy research firm, released an analysis of experimental post-employment services projects in Portland, Chicago, San Antonio, and Riverside. The study found that programs offering intensive case management for recently hired welfare recipients had virtually no effect on their ability to retain employment, boost earnings, or reduce dependency on government benefits.

In Riverside, welfare-to-work participants receiving the case management services worked 59.3 percent of the time, while a control group receiving no extra help worked 57.5 percent of the time. Annual earnings for the group receiving case management was also slightly higher (\$5,724 vs. \$5,468), but the case management support did not reduce welfare dependence at all.

## Riverside—A New Approach

Luckily for Joyce Munyan, the Riverside County Department of Public Social Services didn't give up on retention and advancement after this initial failure. Instead, the agency launched a more ambitious project in January 1998 to help work first participants not only retain their initial jobs, but also climb the career ladder toward more stable and lucrative careers.

In fact, says Marilyn Kuhlman, the department's deputy director, "We always wanted to include education and training in our program, and we always preached the concept of lifelong learning." But for many years, California rules prevented them from doing so. "As soon as participants became employed, they were de-enrolled in our program," Kuhlman says. "We didn't get any funding for them. Basically, we wouldn't see them again unless they lost their job."

In 1997 California passed new rules allowing counties to retain participants in welfare-to-work programs until their incomes rose above the state eligibility standard—over \$18,000 for a family of three. Riverside took advantage of this opportunity by launching Phase II.

In keeping with work first, Phase II targets only welfare recipients who are working at least 20 hours per week and have been for at least one month. When participants reach this milestone, their cases are automatically transferred from the main work first program into the separate Phase II caseload. If their hours drop below 20 per week, participants return to the work first program.

Whereas caseworkers in work first supervise 120–200 families each and concentrate on making sure participants find jobs and follow program rules, Phase II employment counselors have smaller caseloads—75 participants each. They provide intensive career coaching for participants and coordinate financial aid for a wide range of education and training programs.

As a first step, counselors meet individually with participants for one-and-a-half or two hours to discuss their current job, review their education and work history, and explore their career goals. "By the time you

get through with that interview,” says veteran employment counselor Becky Read, “you really know them and they really know you.”

“By the time participants get to Phase II, they have interacted with a lot of caseworkers, and these aren’t caseworkers,” adds Phase II Coordinator Nancy Presser. “It’s a whole different atmosphere.”

After the initial interview, Phase II invites participants to attend workshops and seminars on topics including time management, conflict resolution, GED preparation, and typing. But the heart of the program remains the one-on-one relationship between counselor and participant. Phase II counselors phone or meet with their clients once or twice per month, sometimes more, persistently nudging them to enroll in classes and boost their skills.

### An Immense Challenge

Both nationwide and in Riverside County, convincing newly working parents to dive into additional education and training has proved an immense challenge.

“It’s been a major issue, how you communicate and sell and support people who are already working full-time and have families, and then need to go to school or training at night or on a weekend and need to sometimes pay tuition,” says Barbara Goldman, leader of MDRC’s latest evaluation of Phase II and other retention and advancement projects.

A preliminary report from the MDRC evaluation warns that “For obvious reasons, most single parents have a hard time combining full-time work, school or training, and family responsibilities.”

Indeed, Kuhlman admits that Phase II had little impact initially. “We were in business for a couple of years before we started to feel comfortable with what works,” she says. Before Presser took over as manager in July 1999, Phase II’s “take-up rate”—the percentage of participants enrolled in education or training—was just 8 percent. Likewise in Los Angeles, another site in the MDRC retention and advancement study,

fewer than 10 percent of employed participants are enrolled in further education and training.

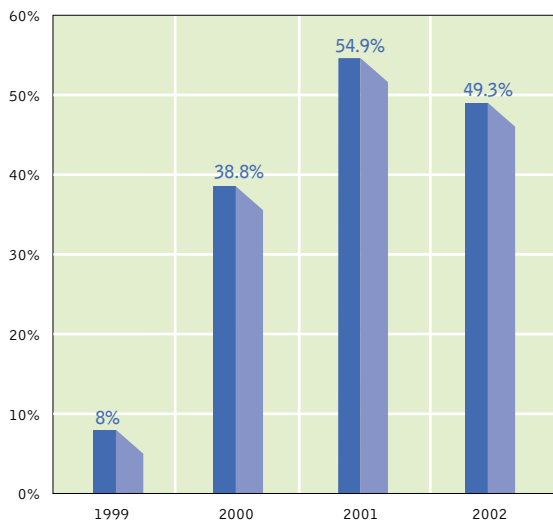
As a result, most sites participating in MDRC’s retention and advancement demonstration—and many other job advancement and retention efforts nationwide—do not rely heavily on formal education and training.

“A lot of the other sites [are using] strategies that are not education and training related,” says Fishman, the Lewin consultant. “They’re trying to broaden the array of activities so that the only thing in your toolkit isn’t to refer them to education and training. Because if that’s the only tool that you’ve got, it’s probably going to be the wrong tool for a lot of people.”

Instead, many sites employ what MDRC terms “work-focused” approaches. For instance, some sites are reaching out to employers in targeted sectors to identify potential career ladders for low-wage workers. Others are subsidizing employers to defray the cost of training low-wage workers for better positions, and still others are contacting employers to identify better-paying jobs to which low-wage workers might transfer. Some states are offering financial incentives for former welfare recipients who retain jobs or enroll in further education

### GOING BACK TO SCHOOL

Percentage of Phase II Participants Enrolled in Education and Training Programs



Source: Riverside County Department of Public Social Services.

*“By the time participants get to Phase II, they have interacted with a lot of caseworkers, and these aren’t caseworkers. It’s a whole different atmosphere.”*

—Nancy Presser, Phase II coordinator



and training. (For a discussion of three noteworthy retention and advancement initiatives, see “Three More Promising Models” on p. 13.)

### Making It Work

Despite these concerns, Riverside County has remained committed to its training-focused approach. And through creativity and determination, the county seems to be making it work.

Since Nancy Presser took over Phase II in 1999, enrollment in education and training programs has risen dramatically. From July 1999 through June 2000, the take-up rate climbed to 38.8 percent. By the end of June 2001, the take-up rate was 54.9 percent. And in June 2002, the rate held at 49.3 percent. In all, almost 2,200 Phase II participants have entered classes since MDRC began evaluating the project in January 2001.

The number of Phase II participants completing training programs has also grown rapidly, climbing from 35 per month in the second half of 1999 to 70 per month in 2000 to 124 per month in 2001. Remarkably, take-up rates are robust for full-time workers as well as those working part-time: 41 percent of participants working 32 or more hours per week were enrolled in classroom training in January 2002, compared with 66 percent of those working 20–32 hours per week.

To test whether the requirement that Phase II participants continue working 20 hours per week inhibits enrollment in education and training, Riverside County created a separate group of participants who—once referred to Phase II—are no longer required to work. As of June 2002, however, this training-focused group was actually less likely to enroll in education or training (42 percent enrollment) than the larger Phase II population still working 20 or more hours (49 percent enrollment). Both groups far exceed the 9 percent participation rate achieved by a control

group that remains in the work first caseload (and receives no Phase II services).

The key to convincing Phase II participants to pursue additional training, Presser and Kuhlman say, is the personal relationship that counselors forge with participants, following the Phase II motto of “gentle pressure, relentlessly applied.” (For more on Riverside’s approach, see “Making the Connection” on the next page.)

“The counselor becomes a credible person that they are comfortable with, that they will trust,” Kuhlman says. “Then we get them confident enough to think they’re ready to take the next step.”

Phase II staff recite the same message, and—remarkably—so do project participants like Joyce Munyan and Kandis Helm.

### Climbing the Career Ladder

After losing her second temporary job in November 2000, Munyan grew depressed. In desperation, she phoned Phase II employment counselor Marissa Gonzalez.

“I called Marissa and I told her what was going on,” Munyan says. “She didn’t give up on me, even though I always had an attitude. She helped me, and that made all the difference.”

Soon, Munyan began to focus on the medical field, thinking that “once I got in there I could maneuver myself around,” she says. With Gonzalez’s help, Munyan found an entry-level job as a nursing home aide, and despite deep fears of the classroom—she enrolled in a course to become a certified nursing assistant.

“It was a scary situation,” Munyan says, “but I eventually overcame the fear. I learned to be in the classroom and stick with it and be relaxed. It felt real good, and that was like a stepping-stone for me.”



Riverside County's Phase II program is clearly succeeding in earning the trust of project participants and steering them into education and training programs.

"We haven't seen anything like that for any post-employment program," reports MDRC evaluator Barbara Goldman. "I can't tell you there's not another Riverside out there, but from what we know from our own looking around ... I think we're pretty impressed."

What is the secret to Riverside's success? Interviews with Phase II administrators, staff, and participants point to four pivotal factors.

# MAKING THE CONNECTION

**Pick Strong Counselors.** "We're looking for openness and the capacity to be creative, take risks, and go the whole way for the clients," says Marilyn Kuhlman. "We want to have people who can go eyeball to eyeball with people and ask them, 'What do you want to be doing five years from now? Do you really want to be on welfare still or stuck in an entry-level job?'" **1**

**Allow Staff to Innovate.** "It's wonderful to know that if we have an idea to do something that will help the customer, we're encouraged to do it," says Phase II counselor Teri McLinney. "It's difficult for most government agencies to allow their employees to be creative and be innovative and act independently," adds Nancy Presser. "But we hire adults and treat them like adults." **2**

**Focus on Results.** To keep staff members' eyes on the prize, Riverside measures the performance of Phase II staff (and awards bonuses) based on four standards: keeping participants employed; getting them engaged in employment and training programs; getting them to complete training courses; and getting them off welfare. When counselors from Riverside's work first program tried to shift into Phase II, Presser reports, "a lot of them had trouble letting go of the idea that the only important thing is that job. It took a lot of time. And it took performance standards." **3**

**Don't Be Social Workers.** "The approach that we took in Phase II is that we need comprehensive case management, but not social work—not hand holding and enabling," Presser explains. "I tried really hard with my staff to show them that they weren't there to solve people's problems. They're there basically to help this individual determine what choices are best for them, to help them either make good on a goal or to come up with a goal, a career plan. And to look at themselves in a different light." **4**

After earning the nursing aide certificate, Munyan moved to another nursing home that paid \$8 per hour, up from \$6.25 in the first job. Then Munyan found a \$9-per-hour job in a third home, and with encouragement from Gonzalez she enrolled in a community college class in acute care nursing. Munyan impressed the teacher, and she soon landed a full-time job at Riverside Community Regional Medical Center. The job pays a base wage of \$13 per hour—more on nights and weekends.

“For a long time, I didn’t have that energy to go to school. I thought everything was supposed to come to me,” Munyan says. “I’ve started to look at things in a different way. And once I started doing that, I noticed that lots of doors started opening up for me.”

Kandis Helm recites a similar story. “It was very easy to talk to her,” Helm says of her first Phase II counselor, Priscilla Hoops. “She wasn’t threatening. She was willing to help me accomplish what I wanted to do.”

Unlike many Phase II participants, Helm already knew what career she wanted to pursue—drug counseling. She wanted to help others overcome the addiction problems she battled for more than a decade. But Helm’s plan for entering the profession—years of general education classes at a community college, then transfer to a four-year college—was impractical.

*“It’s been a major issue, how you communicate and sell and support people who are already working full-time and have families, and then need to go to school or training at night or on a weekend and need to sometimes pay tuition.”*

—Barbara Goldman, Manpower  
Demonstration Research Corporation

After consulting a computerized database of training providers, Hoops pointed Helm to a nearby technical college with a certificate program in drug counseling. Throughout the seven-month course, Helm attended classes four hours per day, plus homework, and continued to work in her job as a housekeeper. She excelled in the course—earning straight A’s and never missing a day.

Helm graduated in May 2001. A month later she found a temporary job in a residential treatment center run by My Family, Inc. (MFI). That job became permanent a month later, and then in January 2002 Helm transferred to an MFI community center where she provides outpatient drug counseling—earning a steady wage of \$9 per hour. In addition to working full-time, Helm is also studying for a certificate from the California Association of Drug and Alcohol Counselors.

“I feel like a success. I feel like I’m somebody, not just an old housekeeper,” Helm says. “I really feel like I help people. If it wasn’t for [Phase II], I’d still be in school and on welfare, probably for the next ten years.”

### Lingering Questions

Despite success stories like Munyan’s and Helm’s, evaluators at MDRC and the Lewin Group are not yet ready to declare Phase II a success.

In their first round of analysis in Riverside, “We were pretty impressed that in a short period of time they were getting participation rates [in education and training] up around 40 percent,” says Goldman of MDRC. “But we don’t have the rate at which people complete education and training, just the rate at which people actually had at least shown up and done something for a day or two.”

“They’ve been effective in meeting the first challenge—engaging people,” adds Fishman. “We still have to see what happens with the later challenges of completing training, and moving up the career ladder.”

“I think what they’re doing is very important,” Goldman concludes. “I think the concept of post-employment education and training is a very important approach to test. So we’re delighted that Riverside was willing to put the kind of energy into this demonstration as it was into its earlier experiment with work first.”

Dick Mendel is the editor of ADVOCASEY.



*How can welfare-to-work agencies help current and former welfare recipients remain employed and move up the career ladder?*

*Riverside County has focused on enrolling working participants into additional education and training. But Riverside's is not the only or necessarily the best strategy. Many experts, think tanks, and state and local jurisdictions are testing other new approaches. Here's a glimpse at three of the most promising.*

Though Portland's program did not stress post-employment services, its success in placing participants into better jobs led to high job retention and the greatest earnings growth over time of any city studied.

### Jobs Initiative—Partnering With Industry

Since 1995, the Casey Foundation's Jobs Initiative has been funding projects in six cities to link welfare recipients and other low-income job seekers

only if states make “family-sustaining employment”—i.e., quality jobs—an explicit goal, and if they have flexibility to tailor their approaches to the needs of individual job seekers.

### Project Match—Not a Destination But a Journey

Launched in Chicago's Cabrini-Green housing project in the 1980s, Project Match provides continuing assistance—including job preparation, job search, reemployment, and/or job advancement—to help long-term welfare recipients and other low-income residents climb what project leaders call the “incremental ladder to economic independence.”

Welfare recipients and other jobless Cabrini-Green residents who volun-

# JOB RETENTION AND ADVANCEMENT: THREE MORE PROMISING MODELS

## Portland—Targeting Better Jobs

Among welfare-to-work programs in seven sites that were examined in a recent evaluation by MDRC, Riverside County was outperformed by only one other jurisdiction: Portland, Oregon. Compared with Riverside, Portland increased participants' earnings by twice as much over five years (\$5,150 vs. \$2,549), and Portland saved the government more than three times as much money (\$5,235 vs. \$1,545) per participant.

Like Riverside, Portland focused heavily on employment and enforced program rules vigorously. But Portland emphasized education and training far more than Riverside—allowing some participants to enroll in classes full-time rather than adhering strictly to the work first philosophy. Also, Portland encouraged welfare-to-work participants to look for better paying positions, rather than taking the first available job.

to jobs that pay good wages and offer opportunities for career advancement.

While strategies vary in the six cities—Denver, Milwaukee, New Orleans, Philadelphia, Seattle, and St. Louis—all target high-paying jobs and forge close working partnerships with employers. Also, most Jobs Initiative sites rely extensively on industry-specific training programs, and all are building case management systems to assist low-income workers once they become employed.

Though the Jobs Initiative is still ongoing, an interim evaluation found that participating sites served almost 10,000 job seekers from 1997–2000, and they placed nearly half into jobs averaging \$9.15 per hour. More than half of those placed into jobs were still working 12 months later.

“With sufficient time, training, and appropriate supports, low-income families can get on a career ladder out of poverty,” a recent policy brief on the Jobs Initiative concluded. But

teered for Project Match in the late 1980s and early '90s had little trouble entering the workforce, but little success in keeping their jobs once employed: 87 percent found work during their first year in the program, but 70 percent of those hired lost or quit their jobs within 12 months.

With ongoing support from Project Match, many participants became stable workers. The percentage of participants working year-round climbed from 26 percent in year one of the project to 54 percent in year five.

Project Match has worked with community-based organizations in other sites to replicate its employment assistance model, and it has helped public agencies in several localities implement a case management system based on the same principles. Each of these sites has learned Project Match's lesson that “first jobs—and probably second and third ones—are steps along the way toward self-sufficiency.”



BY ROCHELLE STANFIELD

## WHAT ABOUT THE CHILDREN?

Renewing Welfare's Focus on the Well-Being of Kids

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**F**rom the beginning, when Franklin Roosevelt established the first comprehensive federal welfare program in 1935 as part of the Social Security Act, welfare policy was all about taking care of poor children. The initial welfare program was called Aid to Dependent Children, and all assistance was directed toward youngsters. Decades passed before parents were even included.

“It was always aid to dependent children. That was the point of the program—and it still needs to be,” says Kristin A. Moore, president of Child Trends, a Washington, D.C.-based research center. Today, children continue to dominate our nation’s welfare programs: More than 70 percent of welfare recipients are youngsters.

Yet when Congress passed a sweeping welfare overhaul law in 1996, the focus was almost entirely on moving the parents of dependent children off welfare and back to work. The 1996 law ended the federal guarantee of welfare benefits for every poor child, and it established a five-year lifetime limit on welfare benefits for families. Since then, states have demanded that even mothers of infants pursue employment. Previously, federal rules exempted mothers with children under age three from all work requirements.

When the law passed, reform enthusiasts insisted that turning welfare recipients into workers would make

them better role models for their children. Critics worried that decent wage jobs would not be available for poorly educated mothers and that restrictive work rules and time limits under the new Temporary Assistance for Needy Families (TANF) program would plunge poor children even deeper into poverty. Advocates also voiced concerns about who would care for children—and especially infants—while parents were at work. Though the rhetoric was heated, the reality was that no one knew how the seismic changes brought on by welfare reform would affect children.

Six years later, the policy spotlight has begun swinging back toward the well-being of children, propelled by a mass of new information on how welfare reform has affected them thus far. The data come from rigorous scientific evaluations of state welfare experiments as well as Census Bureau statistics on income and poverty. The findings are still preliminary, but they point to conclusions that are simultaneously reassuring and troubling, surprising and incomplete.

*After working all day as a receptionist in Seattle, former welfare recipient Sylvia Sabon picks up her daughters (Sonya, 9, and Xia, 7) from day care. From here, Sabon will drop the girls with an evening caregiver while she attends computer classes.*

Already they are having a noticeable—and some would say overdue—impact on the policy debate over welfare. As part of their proposals to renew the federal welfare law, the Bush administration and House Republicans have proposed to make the well-being of children an “overarching purpose” of the TANF program.

On average, children have done quite well since 1996.

Child poverty—already on its way down from a peak in 1993—declined from nearly 21 percent in 1996 to about 16 percent in 2000. But questions and complications lurk behind the sunny numbers.



Pictured with her oldest daughter Olivia, 9, Karesa Brubaker was a runaway at 13 and never worked until age 27, when her husband became ill and the family went on welfare. Olivia and her siblings, Alexandra and Matthew, will attend day care when Brubaker begins work as a part-time usher earning \$6.90 per hour.

“No success is a success unless it works for kids,” says Rep. Wally Herger, (R-CA), chairman of a House subcommittee responsible for reauthorizing the federal welfare statute, which expires this year.

Arloc Sherman, a researcher at the Children’s Defense Fund, echoes Herger’s sentiment. “I think it’s high time,” he says, “that the focus [of the welfare reform debate] shifts back to children.”

### THE DATA: GOOD NEWS, AND NOT SO GOOD

From the available data, the most comforting finding is that, on average, children have done quite well since 1996. While the welfare rolls have declined by more than 50 percent since the mid-1990s, the Census Bureau reports that child poverty—already on its way down from a peak in 1993—declined from nearly 21 percent in 1996 to about 16 percent in 2000. At the same time, poverty among African-American youngsters dropped to its lowest level on record, less than 31 percent.

But questions and complications lurk behind the sunny numbers. First of all, it’s not clear how much credit welfare reform can take for these positive trends. The new welfare law coincided with several other developments affecting the lives of low-income families. The booming economy of the 1990s sent unemployment rates down and opened up hundreds of thousands of jobs for welfare-to-work moms. Congress dramatically expanded the Earned Income Tax Credit (EITC) in 1993, helping to make work pay for low-income families with children, and the federal minimum wage rose from \$4.25 to \$4.75 per hour in 1996 and again in 1997 to \$5.15 per hour.

“So, you can’t do the thing that people do, which is to say that since welfare rolls are down and child poverty rates are down, welfare reform has to be working,” cautions J. Lawrence Aber, director of the National Center for Children in Poverty at Columbia University.

The overall reduction in poverty in the early years of welfare reform masks severe distress among a subset of poor families. Wendell Primus, income security director for the Center on Budget and Policy Priorities,

published an analysis last year finding that some 700,000 families were actually worse off in 1999 than they had been in 1995 under the old welfare program. Thanks to substantial income growth in 2000, Primus estimated in early June 2002 that the figure has dwindled to about 300,000 worse-off families. “These are people who have left the rolls,” Primus says, “and they’re barely getting by.”

Last year, the downward trend in welfare caseloads ended as the economy dipped into recession and unemployment rose. For the first time since 1994, the number of welfare recipients nationwide rose in the second half of 2001. Poverty rates for 2001 are not yet available, but they will provide further evidence to gauge how much the relative success of low-income families in the late 1990s was due to welfare reform itself, and how much was due to the record economic growth in that period.

### THREE LESSONS

Further evidence comes from a series of new studies which—unlike the Census Bureau’s statistics about poverty and income—separate out cause and effect in examining the impact of welfare reform on children.

The studies were launched in the early 1990s when states across the country got permission from Washington to try out different approaches to welfare reform. The U.S. Department of Health and Human Services and various foundations, including the Annie E. Casey Foundation, funded rigorous scientific evaluations of the new programs. Like biomedical experiments, these studies randomly assigned some families to the experimental welfare program and some families to control groups that continued to receive AFDC, the old welfare program. Released this year by Manpower Demonstration Research Corporation (MDRC) and Child Trends, the studies show that:

- The kids who fared worst in early welfare reform studies were adolescents, not babies;
- Some elementary school children have benefited under welfare reform, but the benefits have accrued primarily to children in jurisdictions that supplement the incomes of welfare families; and
- Though data on the youngest children remain sparse, available evidence suggests that their well-being has not been greatly affected by welfare reform one way or the other.

**Trouble for teens?** The early evidence suggests that some teens are not faring well under welfare reform. The proportion of kids who had to repeat a grade or enroll in special education services was roughly 10 percent greater among those whose parents participated in experimental welfare-to-work programs, the initial studies found, than those whose parents remained in older welfare programs. Welfare reform did not increase adolescent dropout or teen pregnancy rates in the studies. Ron Haskins, a senior advisor to President Bush, argues that the negative findings about teens are still preliminary. Nonetheless, they are “a yellow light,” he says. “I don’t think the data are conclusive, but it does seem like a logical conclusion that if adolescents get less supervision, they might do less schoolwork and have more difficulties.”

In the studies, the impacts on teens were not tied to which welfare policy approach was employed. “Earnings supplement programs, mandates, and time limits were all having some kind of negative effect on adolescent well-being,” explains Lisa Gennetian, an MDRC researcher. “What these programs all had in common, though, was that they increased employment for the parents of adolescents.”

“At this point, we don’t know why this is happening with teenagers,” says Jennifer Brooks of Child Trends. One theory is that adolescents must take over the care of their younger siblings and don’t have time for schoolwork. In fact, recent data published by MDRC confirm that “Adolescents with younger siblings

The proportion of teens who had to repeat a grade or enroll in special education services was roughly 10 percent greater among those whose parents participated in experimental welfare-to-work programs, the initial studies found, than those whose parents remained in older welfare programs.

experienced the most troubling effects.” Brooks and her colleagues also advance two other hypotheses: (1) With their mothers out working, the teens have no one to monitor their after-school activities and make sure they do their homework, and (2) These kids have to work a substantial number of hours themselves to enable the family to make ends meet. Each of these potential causes might contribute to higher stress levels among teens, which can take a toll on their school achievement.

While advocates and researchers remain unsure of the cause of the teens’ predicament, many argue that more and better child care for working parents would take some of the burden off of the adolescents. New structured activities for teens—after-school programs and youth development programs—might also improve their school performance.

**Income makes a difference for elementary school students.** Unlike the older youth, some elementary school students did do better under welfare reform. But a new MDRC analysis of 12 experimental programs concludes that improvement was closely tied to an increase in family income—which doesn’t occur in many families leaving welfare for work.

Four of the experiments sought to boost family incomes by supplementing the wages of working parents or allowing them to keep more of their welfare grants after they started working. In all four, elementary school students had significantly higher academic achievement. By contrast, six of the programs simply required parents to work—or in some cases to participate in education or training programs—but did not supplement their wages once employed. Just one of those programs resulted in higher achievement for the children. In addition, MDRC evaluated two experiments that implemented time limits in different ways. The program that supplemented family income and applied time limits cautiously produced positive results for the kids. The other time limit program, which did not offer these benefits, had mixed results for the youngsters.

“The basic point is we see benefits to elementary school kids when the program increases both employment and income. And the exciting thing is we know those effects are sustained through almost five years of follow-up,” says Pamela Morris, the principal author of MDRC’s latest report. However, Morris adds, the improvements are modest. “We are moving them from the 25th to the 30th percentile. So the results don’t indicate that these kids don’t still need help.”

When Sherman of the Children’s Defense Fund analyzed these data, he concluded that all programs which increased family income by 5 percent or more also improved child outcomes; meanwhile, all programs that reduced family income by 5 percent or more had negative effects on child outcomes.

**The youngest children—a mixed picture.** Though the fate of infants, toddlers, and preschoolers in welfare reform evoked the greatest concerns among child advocates, these youngest children have been the least studied in recent years. “Research on young kids is harder and it’s expensive,” says Aber of the National Center for Children in Poverty. “You can’t interview a one-year-old. In order to study young children in a valid, reliable way you have to do things like videotape them or do long intensive one-to-one behavioral assessments. Those are cost prohibitive.”

In April 2002, however, researchers from the Growing Up in Poverty Project, which involves four universities, released a study examining the impact of welfare reform on very young children—as well as their mothers and home environments—in California, Connecticut, and Florida.

Four years into the study, a majority of the mothers have found jobs and modestly increased their family income. But almost half the women are required to work irregular hours—nights and weekends—and, with an average annual income of \$13,000, many remain in poverty. One-third reported that they had to buy cheap food, cut the size of meals, or visit food banks to feed their families. Nearly half weren’t able to pay their rent or utility bills on time.



Morrissa and Jasmine Payne (14 and 11) are the daughters of Joyce Munyan, who has become a welfare-to-work success story thanks to Riverside County California’s Phase II project. (Story on p. 4.)



## HOW DOES WELFARE REFORM AFFECT CHILDREN?

### A Summary of the Evidence

#### SCHOOL-AGE CHILDREN

Programs mandating participation in jobs or welfare-to-work activities that do not subsidize the earnings of welfare recipients once they go to work—the most common approach to welfare reform nationwide—typically increase parents' employment but have few effects on school-age children.

However, programs that subsidize families' incomes once they go to work consistently improve academic performance by school-age children. In the one study for which longer-term follow-up results are newly available, the benefits to children have persisted four-and-a-half years.

From these studies, consensus is growing that increasing family incomes is the most critical variable in boosting child well-being for school-age children.

#### ADOLESCENTS

For adolescents, policies that increase parental employment seem to have negative effects on school achievement. The negative impacts are not large—reducing academic success by roughly 10 percent—but they appear in numerous studies of many types of welfare-to-work programs.

The programs, on average, do not affect suspensions, school dropout, or childbearing of adolescents, nor do they appear to affect the school completion of older adolescents as they enter young adulthood.

The negative outcomes are most pronounced among adolescents with younger siblings, who may face extra pressures to care for younger siblings and/or work more than part time to help the family make ends meet.

#### INFANTS AND TODDLERS

Though the impact on infants and toddlers was a top concern of advocates when welfare reform became law in 1996, data remain too limited to permit definitive conclusions about how infants and toddlers are faring. Information from two studies reveals little evidence of either harm or benefit to younger children's development.

Working mothers said they've been able to spend less time with their children since welfare reform and don't read to them, sing, or play with them as much as they did. Their children also spend more time in child care, which states have funded more generously in recent years. Unemployed mothers—who must actively search for work to avoid losing their welfare benefits—said they rely more on television now to amuse their little kids.

Despite these danger signs, the study did not find evidence that welfare reform is damaging the development of young children. On tests of language proficiency, familiarity with books, general school readiness, behavior, and social development, children whose mothers were enrolled in a welfare reform program did about the same as those whose mothers remained on the old AFDC program. While they're not suffering, they're not flourishing either. All of the children scored well below the national average on these tests.

#### WHAT ABOUT THE CHILDREN?

Together, all of these studies offer a substantial body of new evidence to guide policymakers in their efforts to improve the well-being of children.

The research delivers three “super messages,” says Aber. “First, remember the children. Two-thirds of the recipients are children and therefore evaluating the impact of welfare reform on children and not just on parents' work behavior is incredibly important. Second, income matters not just to parents but to kids. And third, don't forget the most vulnerable children.”

The key question, however, is whether Congress will put this new knowledge to use in redrafting the nation's welfare law this year. While the Bush administration has proposed to make child well-being a core purpose of TANF, the centerpiece of its welfare plan consists of strict new work rules that would require states to engage at least 70 percent of welfare parents in work activities (up from 50 percent in the initial TANF law) and would require welfare recipients to participate in 40 hours of work activities every week (up from 30 hours per week in the initial law).

“There is a danger that this work proposal could generate new risks for children at the same time as it would diminish resources needed for programs that address child well-being,” says Jodie Levin-Epstein of the Center for Law and Social Policy in Washington, D.C. “It's as though the right hand is focused on



# MONEY MATTERS:

Studies Show That Welfare Reform CAN Improve Children's Lives...

But Policies That Yield Child Gains Are Rare (and May Get Rarer)

**W**elfare reform really can improve the lives of children. That's what Manpower Demonstration Research Corporation (MDRC) found through a series of welfare reform evaluations compiled in recent years. But there's a catch: the improvements are linked closely to growth in family income.

The Minnesota Family Investment Program (MFIP) tells the story best. In its final report on the program, MDRC concluded that MFIP "provides some of the most rigorous evidence available to date that *money matters*. For very disadvantaged families..., providing financial support to parents as they move from welfare to work can improve children's outcomes."

The experiment, which began in 1994, assigned some families to MFIP and kept others on Aid to Families with Dependent Children (AFDC), the old welfare program. MFIP parents were required to look for work (and got help in doing so), and the state also provided generous incentives for MFIP parents who did take jobs. It ignored a substantial chunk of families' wages when figuring their welfare payments—thereby boosting family income—and made it easier for families to collect food stamps, child care subsidies, and other benefits.

The results were dramatic, especially for single mothers who had been on welfare for at least two years. An average of 50 percent worked in each three-month period studied (compared to 37 percent of AFDC recipients), and they earned 23 percent more money than their counterparts on AFDC. More participants got married or stayed married than the AFDC group, and far fewer were victims of domestic abuse.

The elementary-school-age children of these moms also did substantially better than those in the AFDC

group. The kids in the AFDC group had nearly twice as many cases of below average performance in school as the MFIP kids—and 12 percent more incidents of bad behavior. The MFIP moms reported that their children were more interested in school, did their homework more, and got along better with teachers.

Unfortunately, the generous income supplements offered in the MFIP pilot program are not available in most welfare reform programs today. MFIP "shows what can happen, not what is happening," says J. Lawrence Aber, director of the National Center for Children in Poverty.

As a pilot experiment, MFIP allowed families to continue collecting benefits until their income reached 140 percent of poverty. When Minnesota adopted MFIP statewide in 1998, however, it limited the supplements to families earning up to 120 percent of poverty. Even that amount is unusual. While 32 states provide more generous income supplements under TANF than they did under the old welfare program, only nine states supplement income above the poverty level; 11 states cut off benefits before income reaches half of the poverty level.

Work requirements contemplated in the Bush administration's welfare reform proposal could exacerbate that situation, according to a survey of states by the National Governors' Association and American Public Human Services Association. Forty-one states responded that they would have to redirect resources or fundamentally alter their welfare reform strategies if the proposal is adopted. New York replied that "resources directed to support working recipients ... will need to be redirected." And Minnesota predicted that the successes attributed to MFIP "will be jeopardized by more stringent work participation requirements."

bullying up the work requirements. But there's nobody on the left-hand side saying, 'Whoa. Let's take a look at the research. What's it saying about kids and these kinds of requirements?'"

Haskins disagrees. While he concedes that tougher work requirements might lead some states to reduce income subsidies for parents who leave welfare for work, Haskins argues that the primary goal of welfare reform should be to help still-dependent families to enter the workforce. "Strong work requirements play a role in people leaving welfare, so we need to have strong work requirements," he says. Haskins argues that states have enough resources at their disposal to support working parents even with the new work requirements. "If the states use their money wisely, they will be able to continue quite substantial spending" to boost the incomes of former welfare recipients and other low-income working parents, he says.

Like many critics of the president's plan, however, Levin-Epstein remains unconvinced. "As much as they're talking about being concerned about children," she says, "nobody's looking out for the implications of the research" that tells them what children need.

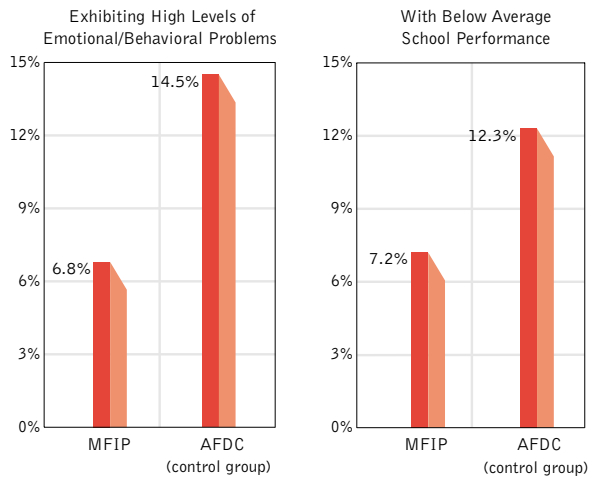
*Rochelle Stanfield, formerly a staff correspondent for National Journal, now works as a freelance journalist in the Washington, D.C. area.*



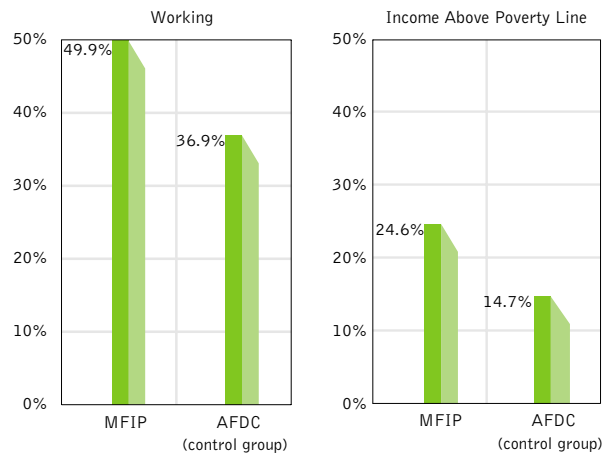
## MAKING A DIFFERENCE

Impact of the Minnesota Family Investment Program on Single-Parent Long-Term Welfare Families

### CHILDREN\*



### PARENTS\*\*



\*Child data are based on assessments reported by mothers of elementary-school-age children over the three-year study period. Data reported for urban areas only.

\*\*For parents (99% of them mothers), employment is an average per quarter over nine quarters, while poverty rates are at the end of the nine-quarter study period. Data cover parents statewide.

Source: Manpower Demonstration Research Corporation.

Cesilia Cruz, five years old, picks out clothes and a doll at a clothing bank in Pullayup, Washington. Her family emigrated from Mexico to work in the fields, but their income is not enough to survive without government support.



# SWIMMING

It's a simple thing—a blue, bound monthly planner.

But to Talaea O'Neal, a long-term welfare recipient in Philadelphia, it symbolizes a treasure she had all but lost—her future.

Now 28, O'Neal describes herself as a one-time “street runner” who got pregnant at 16, dropped out of high school, and fell heavily into drugs and alcohol. With her two children, O'Neal coasted on welfare for years, living check-to-check and day-to-day.

But thanks to the five-year lifetime limit imposed on welfare recipients by the 1996 welfare reform law, O'Neal knows that her days on public assistance are numbered. In January, unsure about heading back into a workforce she had visited only sporadically and unsuccessfully over the years, O'Neal signed up with the Transition Work Corporation (TWC). Unlike most welfare-to-work programs, TWC is designed specifically for women like O'Neal—long-term welfare recipients who face serious barriers to success in the workplace. For O'Neal and thousands like her, TWC is providing a foothold in the world of work—a ladder to the future.

O'Neal arrived at the agency's Broad Street office in January, created a resume, bought some work clothes, practiced job interviews, and attended job readiness workshops.

Shown here with her new monthly planner, Talaea O'Neal says that “I always lived my life day-to-day.” O'Neal calls TWC her “last hope.”

After two weeks, TWC placed O'Neal in a job with the non-profit Bushfire Theater answering phones, handling correspondence, and helping to run the office. Another worker at the

theater serves as a mentor; and a counselor back at TWC stands ready to help her cope with problems that could hurt her work performance.

Although the job is subsidized by TWC with government and foundation funds, it does not resemble the “make-work” positions provided by some welfare-to-work programs. O'Neal functions as a regular employee, and she receives an actual paycheck every two weeks.

“This is real work; that's what I like about this,” O'Neal says during an interview at TWC's office.

Like all TWC clients, O'Neal also received the monthly planner—her first—and the staff urged her to use it to keep track of important details.

“Put \$200 in bank,” she reminds herself on one date. O'Neal has also jotted notes to pay her children's babysitter and to prepare for her high school equivalency degree exam. “This is something really new to me,” O'Neal marvels, referring to both the calendar and her evolving outlook. “I always lived my life day-to-day.”

After a few moments, she adds: “I feel like this is my last hope. Running the streets wasn't working.”

## AN ALTERNATIVE TO SINK OR SWIM

Since opening its doors in 1998, TWC has worked with more than 6,000 clients, nearly all of them single mothers with a long history of welfare dependency. As one of the first “transitional work” programs in the nation, TWC is in the vanguard of a movement—transitional employment—that is attracting more and more attention from experts and policymakers in the evolving welfare-to-work arena.

As states assumed responsibility for running welfare-to-work programs

# LESSONS

IN PHILADELPHIA'S TRANSITIONAL WORK CORPORATION, LONG-TERM WELFARE RECIPIENTS GET THEIR FEET WET IN THE WORLD OF WORK BEFORE SINKING OR SWIMMING ON THEIR OWN.

BY TOM WALDRON

## TRANSITIONAL EMPLOYMENT PROGRAMS PROVIDE LONG-TERM WELFARE RECIPIENTS WITH TEMPORARY GOVERNMENT-FUNDED JOBS, PLUS INTENSIVE SUPPORT TO HELP THEM TRANSITION TO AND SUCCEED IN UNSUBSIDIZED JOBS OF THEIR OWN. THE TRANSITIONAL PROGRAMS OFFER SWIMMING LESSONS, IN EFFECT, BEFORE REQUIRING THE LEAST-READY WELFARE RECIPIENTS TO SINK OR SWIM ON THEIR OWN IN THE WORLD OF WORK.

after the passage of the landmark welfare reform law in 1996, most began requiring welfare recipients to take jobs or to participate in education, work experience, or job search activities—or face reductions in their cash assistance. The goal, most often, was to move welfare recipients as quickly as possible into jobs of any kind—often minimum-wage positions with little potential for advancement.

As advocates predicted during debates in the mid-1990s, many longtime welfare recipients saddled with personal and financial problems have had trouble obtaining and keeping even those bottom-rung jobs.

States and localities developed a variety of programs to help parents with severe barriers find and hold jobs. Some jurisdictions opted to place needy parents into job training or remedial education programs. However, a growing number of evaluations have found that intensive preemployment training is typically not cost-effective and seldom leads to stable employment for welfare-to-work clients.

More often, welfare agencies have turned to “workfare” programs in which recipients are required to work—often in menial jobs with public-sector agencies—in exchange for their welfare payment. New York City, under former Mayor Rudolph Giuliani, has had the largest such program with about 40,000 welfare recipients enrolled. Critics contend, though, that such make-work jobs bear little resemblance to real employment and don’t prepare people for the working world.

Transitional employment programs target long-term welfare recipients using a different approach—providing temporary government-funded jobs, plus intensive support to help them transition to and succeed in unsubsidized jobs of their own. The transitional programs offer swimming lessons, in effect, before requiring the least-ready welfare recipients to sink or swim on their own in the world of work.

“These kinds of programs certainly provide an amazing opportunity for folks who are in danger of being left behind by welfare reform,” says Paul Knox, director of the transitional job program in the state of Washington, the nation’s biggest. “People with serious and multiple barriers can do whatever they want given the right opportunity.”

In Philadelphia, TWC uses government welfare funds and foundation grants to place clients into jobs with nonprofit and government organizations for up to six months. The clients work at their jobs 25 hours each week, and they must also take part in ten additional hours per week of job training, counseling, and other support services.

TWC’s approach grows out of the nation’s long history with government-subsidized jobs. The best known example was the New Deal’s Work Projects Administration, which created jobs for more than seven million people during the Depression years of the 1930s. The Comprehensive Employment and Training Act provided government-funded work for more than 700,000

people at its peak during the late 1970s, but the program was roundly criticized for inefficiency, corruption, and failure to lead low-income workers into unsubsidized employment.

Against that historical backdrop, leaders in Philadelphia's public and nonprofit sectors set out to create a new kind of subsidized-work program. The collaboration involved the city of Philadelphia, the state of Pennsylvania, and policy experts at the Pew Charitable Trusts and Public/Private Ventures, a national research and policy group focused on issues affecting youth and young adults. Their goal: to couple subsidized jobs with intensive counseling, education, and other support services in a program that moved participants quickly to unsubsidized jobs.

"Supported work is not new. But we haven't been able to sustain something that really works," says David Racine, a researcher with Public/Private Ventures, who analyzed TWC's operations. "The thought was we have to get it right this time."

## THE TWC APPROACH

Each Monday, between 65 and 80 single parents from Philadelphia, virtually all of them women, assemble at TWC's downtown offices.

These are some of welfare reform's toughest challenges—single parents who have been on welfare for an average of 40 months since 1997. Many are struggling to overcome significant barriers to employment, such as drug or alcohol abuse or domestic violence. On average, TWC clients have three children, and they read at a sixth-grade level. Only about 35 percent have a high school diploma, compared with about 50 percent of adult TANF recipients nationwide.

Caseworkers in Philadelphia's welfare offices refer to TWC recipients who are in danger of losing their TANF benefits—either because they are approaching the five-year limit or they are facing sanctions if they do not take part in an approved work/training activity. TWC staff members also visit the city's 19 welfare offices to explain the program and ease potential workers' fears of enrolling.

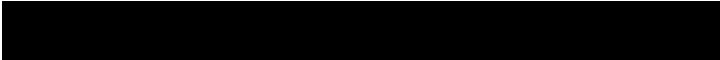
While the agency does not keep records on participants' previous training activities, TWC officials say that the majority of trainees have gone through at least one and sometimes several employment programs. Typically, however, those programs were simpler and less rigorous than TWC, with one basic goal: get single parents into a job, any job, as quickly as possible.

Kimberly Geathers, a 31-year-old TWC client who had been on welfare her entire adult life, says she participated in three other work programs prior to TWC—with little success.

"They weren't organized at all," says the mother of four who—with TWC's help—landed an unsubsidized job with a law firm. "[Those programs] would just give us newspapers and send us out on job searches or to job fairs."

From the moment they arrive at TWC, trainees see that this program is different. The company's office building is located next door to the Ritz-Carlton Hotel on South Broad Street, on a high-powered block with a view of city hall.

"We're basically giving the message that we value you," says Richard Greenwald, president and chief executive officer of TWC.



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## THE WORKPLACE SUCCESS OF TWC PARTICIPANTS



Source: Transitional Work Corporation.

On the first day of the program, Greenwald and his top managers greet the trainees, whom they treat as employees and give a strict dress code. “No pants that reveal the bellybutton” is one rule among many.

On the second day, the women do the talking in a “Who Am I” discussion. Each must stand before the group and talk about her life, explaining how she ended up in this program. Some women are reluctant to open up; others pour out stories of tragic lives tangled by drug abuse and domestic violence. Again and again, women talk about their hopes to improve the lives of their children.

“We need to get to the nitty-gritty of who they are. It can get very emotional,” says Faith Williams, TWC’s vice president of community relations. “The nice thing is there are a bunch of people in the same room with some of the same problems.”

Over the remainder of their two-week orientation, clients work on interviewing skills, create a resume, and get tips on time management and finding good child care. In one exercise, participants must create their “dream” company and develop a business plan for running it—an exercise designed to force the women to think big. Talaea O’Neal, for one, loved the assignment. She devised a staffing and financial plan for “Entertainment World,” combining a club, restaurant, and arcade.

By the second week, clients are interviewing for jobs. TWC has built relationships with roughly

400 employers in Philadelphia—nonprofit organizations such as Thomas Jefferson University Hospital, and government agencies, including city hall and the district office of U.S. Senator Rick Santorum. These



employers offer job slots to TWC participants in three broad categories of work: housekeeping, clerical, and child care.

TWC pays employers \$49 a month for each TWC worker. In return, employers assign a regular employee to serve as an on-site mentor for each TWC worker. TWC also assigns a counselor to each participant—someone the women can call for help when problems arise, whether it's a chronic ailment requiring repeated doctor visits or an unruly child for whom the mother may need to leave work and make a school visit to see the teacher or principal.

Participants work at their jobs for 25 hours each week. TWC pays just \$5.15 an hour, the minimum wage, but the financial benefits of the program far transcend that minimum-wage paycheck. Under Pennsylvania eligibility rules, TWC clients continue to receive half of their TANF grants while working, as well as food stamps. Also, since they are drawing a paycheck, workers qualify to receive an Earned Income Tax Credit of, on average, \$113 a month.

After payroll taxes and a \$43 monthly child care expense are deducted, a typical TWC client with two children receives \$1,115 a month while holding down a transitional job—\$219 more than the \$896 they would get from only welfare and food stamps. And that doesn't include the \$65 monthly transportation allowance provided by TWC, or the one-time clothing allowance of \$300 to purchase uniforms or appropriate work clothes.

On top of the 25-hour workweek, TWC clients spend another ten hours each week in a wide range of workshops. They learn how to use the Internet to do research or make a travel reservation. TWC also offers instruction in basic computer and word-processing skills, and it provides free tax-preparation services.

Clients speak glowingly about the support network provided by TWC's 92 employees.

"It's our ultimate responsibility, but it's my impression they're doing everything they could for you," says Adrienne Davis, a 37-year-old West Philadelphia resident who is raising her two children and two of her neighbor's children by herself. "They really fight for you," says Davis, who took a TWC housekeeping and maintenance job with Friends Rehabilitation Project last fall and has since graduated to an unsubsidized job as a telemarketer for a financial services firm, earning \$8 per hour.

Within six months, participants must leave their TWC positions and find unsubsidized jobs. TWC assists participants in their job searches, and then offers continuing assistance for another six months—a crucial phase in which the workers must begin making it on their own. During this period, TWC provides transportation subsidies and additional classroom instruction. Plus, workers who hang on to an unsubsidized job for two months receive a \$200 retention bonus. If they stay employed for six months in an unsubsidized job, workers can collect another \$600 in bonuses.

CONTINUED ON P. 30

**"THESE KINDS OF PROGRAMS CERTAINLY PROVIDE AN AMAZING OPPORTUNITY FOR FOLKS WHO ARE IN DANGER OF BEING LEFT BEHIND BY WELFARE REFORM."**

*—Paul Knox, director of Washington State's transitional employment project*

**“Welfare  
is  
done,  
ladies.”**

—SUCCESSFUL GRADUATE PATRICIA KING  
(PICTURED AT RIGHT) SPEAKING TO A  
GROUP OF NEW ARRIVALS AT TWC



## Patricia King was

46 when she came to TWC in March 2001. She was a single mother of five and a former drug addict who spent 15 years on welfare, taking under-the-table jobs and lying to caseworkers.

“I had become very accustomed to that check,” she says.

But with an end to welfare looming, King enrolled in TWC and took a \$5.15-an-hour job with a Philadelphia legal assistance center. An energetic woman, King within months found a job with a security company supervising 18 other employees. A few months later, she took an office job with a local pizza-restaurant chain. Then this spring, King left that job to open a child care operation caring for seven children in her own

home. The money is better, King says, and the job allows her to spend more time with her children.

King’s eyes twinkle as she describes the emotional change she has undergone in the year since she first came to TWC.

“They taught me life,” King says. “That’s what I was missing—life on life’s terms. I was living on my own terms.

“It’s a different feeling being self-sufficient,” she adds. “My kids look at me in a different way.”

These days, TWC often asks King to speak to the newly arriving clients.

King delivers a simple message.

“Welfare is done, ladies,” she reminds them. “You can stick with this program and do it nice, or you can do it the hard way.”

## MEASURING TWC'S BENEFITS AND COSTS

Even with all of the support and incentives from TWC, the absolute success rate of program participants remains modest. As of June 1, TWC had enrolled 6,128 people—of whom 4,573 had an opportunity to complete the program. (The rest were either deemed ineligible or were still working in subsidized TWC jobs.)

Of these 4,573, 1,883 (41 percent) completed the program and found unsubsidized jobs at an average wage of \$7.33 an hour. Of the 1,594 who found jobs by December 2001, 1,007 (63 percent) remained in a job six months after leaving the program. (See chart on p. 26.) Overall, just over one in four TWC participants has completed the program, found an unsubsidized job, and remained employed.

Though this success rate may seem low to a casual observer, welfare experts say that it represents solid success, given TWC's clientele.

*A recent analysis in Washington State found that ... 47 percent of welfare recipients who completed Washington's "Community Jobs" transitional work program were employed in the first quarter of 2000, compared with an estimated 14 percent employment rate for state welfare recipients with identical characteristics who did not complete Community Jobs.*

"You're talking about people who have churned through the workforce, if they have worked at all," says Annette Case, workforce policy director at the Economic Opportunity Institute in Seattle. "You're engaging a lot of people who wouldn't have gotten a job without a program like this."

Unfortunately, TWC has not yet been evaluated to determine its net impact on participants' employment. However, a recent analysis in Washington State found that transitional employment dramatically boosted the employment rates of hard-to-serve participants. By analyzing the employment histories and other characteristics of participants, the study found that 47 percent of welfare recipients who completed Washington's "Community Jobs" transitional work program were employed in the first quarter of 2000, compared with an estimated 14 percent employment rate for state welfare recipients with identical characteristics who did not complete Community Jobs.

While these data do not include outcomes for participants who failed to complete Washington's transitional work program—and cannot prove the effectiveness of TWC in any case—they do illustrate the potential impact of transitional work programs to substantially improve the success of long-term and hard-to-serve welfare recipients in the workforce.

These potential benefits, however, do not come cheaply. TWC spends \$1,825 per month on each of its clients, much of it in client paychecks. That's roughly four times the cost of a welfare grant to a Pennsylvania mother of two children.

TWC relies largely on money from the state of Pennsylvania—more than \$11 million this year in TANF and welfare-to-work funding. The Pew Charitable Trusts remains a major supporter of the project, pledging more than \$1 million over three years beginning last fall, and the Annie E. Casey Foundation has pledged \$600,000 over three years largely to allow TWC officials to help other states and cities establish or improve similar programs.

Steve Savner, a senior attorney with the Center for Law and Social Policy (CLASP), a Washington, D.C.,

nonprofit group that studies welfare issues, says that even with a higher cost, transitional work programs should be nurtured and expanded.

“It’s not clear what we have to offer that’s equally effective for this group of folks,” Savner says.

## BUDDING INTEREST IN TRANSITIONAL WORK

In March 2002, Mathematica Policy Research, Inc., issued a report analyzing TWC and five similar programs around the country. Although its report called for a more rigorous examination of the programs’ results to see how they compare with other welfare-to-work approaches, Mathematica concluded that transitional work programs “show promise.”

In May, a Brookings Institution paper produced an even more favorable review of transitional employment programs, calling them “an especially promising policy response” for welfare recipients with strong barriers to employment.

Nationwide, some 40 communities have established transitional work programs, and many welfare experts are pushing to create even more.

The National League of Cities, for example, recently announced grants to ten cities ranging in size from Richmond, Calif., to Detroit to design and implement transitional work programs. TWC officials will provide help to those cities.

In Washington, D.C., CLASP is spearheading a call for more federal dollars for transitional work—as much as \$500 million.

Under the group’s preliminary legislative proposal, most of the money would be set aside for current and former welfare recipients, although about a third could be used to train other hard-to-employ workers who are not receiving welfare grants, including ex-prisoners.

The transitional work legislation won early support from Senators Jeff Bingaman, a Democrat from New Mexico, and Blanche Lincoln, a Democrat from Arkansas.

*“It’s our ultimate responsibility, but it’s my impression they’re doing everything they could for you.”*

*—Adrienne Davis, a TWC graduate who now earns \$8 per hour as a telemarketer*



“Senator Bingaman believes that transitional job programs are good investments because they serve as stepping-stones to permanent employment and decrease government expenditures on health care, food stamps, and cash assistance,” Trudy Vincent, Bingaman’s legislative director, told a recent conference of transitional work advocates in Washington, D.C.

Congress is considering the request as it reauthorizes the nation’s \$16.5 billion welfare program and revisits the reforms enacted in 1996.

Advocates worry, however, that the request could be overlooked in what is shaping up to be a tight budget year. Though President Bush proposed retaining federal welfare expenditures at their current level, many state welfare programs are suffering a budget squeeze due to a recent rise in welfare caseloads. In the last nine months of 2001, 37 states saw their welfare rolls grow.

Steve Savner, the CLASP attorney, predicts that welfare advocates will face a tough fight to obtain adequate funding for transitional work. “There’s a funding crisis for these programs,” he says.

But Richard Greenwald, president of TWC, argues that additional funding for transitional work programs is essential. “We need to continue to invest in this population so they can grow and support their kids,” he says.

*Tom Waldron is a freelance writer in Baltimore, Md. Previously he worked as a reporter for the Baltimore Sun.*

# The New York Times Magazine

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## MARY ANN MOORE'S WELFARE

She's been on the dole, and on drugs. Now she works hard to support her family. What's the lesson: Shred the safety net or preserve it?

BY JASON DEPARLE



## THE STORY BEHIND



During the 1990s, Jason DeParle emerged as perhaps the nation's foremost reporter on social welfare issues. As a national correspondent for *The New York Times*, DeParle contributed more than 30 page-one stories, plus several more cover stories for the paper's Sunday magazine.

He interviewed senators, congressmen, and cabinet secretaries for these stories, even the president. But DeParle made his real mark by profiling lesser-known figures who set the stage for the nation's welfare debate: scholars whose theories and rhetoric influenced policymakers, social scientists who strived to untangle the complex dynamics of welfare families, and social workers called on to enforce tough new work rules. And far more than other national reporters, DeParle chronicled the lives of welfare recipients themselves—the women and men and children buffeted about by our nation's increasingly aggressive efforts to “end welfare.”

Written by DeParle for the December 18, 1994, edition of *The New York Times Magazine*, this cover story explored the realities of welfare reform by detailing the struggles and successes of Milwaukee mom, Mary Ann Moore.

For his efforts, DeParle grabbed the George Polk Award for National Reporting in 1999. A year later, *The Nation* dubbed DeParle “arguably the best poverty reporter in America.” Currently, DeParle is on leave from the *Times* writing a book about welfare reform. In

# THE WELFARE STORY

An Interview with *New York Times* Correspondent Jason DeParle



I don't think anybody glimpsed the extent to which enforcing a work requirement would send people off the rolls. One big lesson seems to be that if you require people to work for their benefits, great numbers will go off and make other arrangements.

March, he stepped away from his computer to describe the lessons he's learned.

**ADVOCASEY:** *You have one of the most important jobs in journalism—spearheading coverage of welfare and poverty issues for The New York Times. Why did you choose to take leave and write a book?*

**DEPARLE:** We as journalists often spend a lot of time and energy on the big Washington debate, and then once it's resolved we move on to the next big Washington debate. We typically don't have an opportunity to stay with one story and see what actually happened. Having spent the better part of five years covering the debate that led to welfare reform, I sure wanted to see how it turned out. While I had spent a fair amount of time talking to women on welfare, I still had a sense that the story was more complicated than I'd been able to portray. There was a lot more to discover out there.

**ADVOCASEY:** *So tell us what your book will be about. How are you going to tell the story of America's welfare reform odyssey?*

**DEPARLE:** The book has two main parts. The primary focus is on three women who were all on welfare in Milwaukee and who are now off welfare. They're cousins, so it's really one extended family and one extended narrative. They've lived together on and off over the years, taken care of each others kids, and been through lots of ups and downs. Then there's a second section that tells the history of AFDC (Aid

to Families with Dependent Children), the old federal welfare program, mostly focusing on the debate in Washington from 1991 to 1996. What brought about the new law? That probably takes up a quarter of the book.

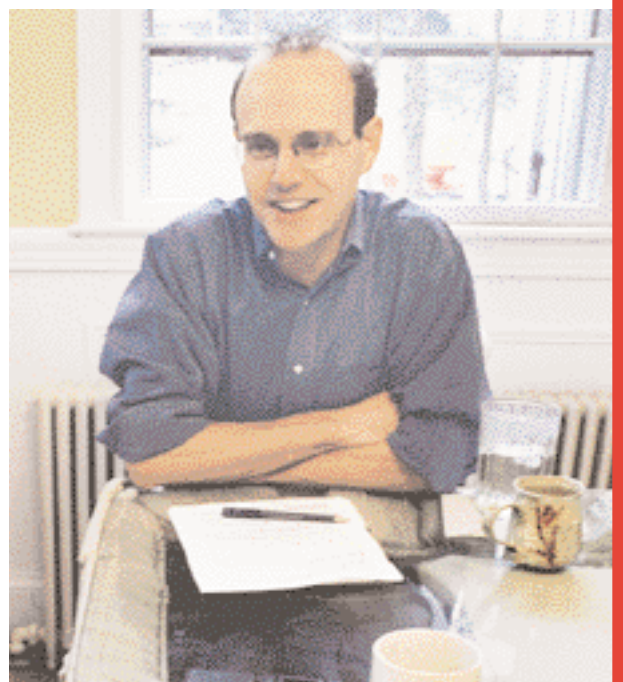
**ADVOCASEY:** *Why did you choose to focus the book on Milwaukee?*

**DEPARLE:** The number one reason is the fact that the rolls there fell so suddenly and so deeply. It was the first place, the first big city, to "end welfare."

Secondly, I thought Wisconsin's program was interesting in a policy sense since it had provisions that seemed very generous, but also provisions that seemed very rigorous. It was bold and ambitious and an interesting expression of both the antiwelfare strain that was in politics, but also the "make work pay" or the "support work" strain.

Third, everybody in Milwaukee was engaged in the issue of welfare in a way that other communities

Photographed here in his Washington, D.C., home, DeParle is currently on leave from the *Times* completing a book about three former welfare families in Milwaukee, Wisconsin.



weren't. The mayor was involved, the governor was involved, the nonprofits were all competing against each other to get contracts. Even people on aid themselves had a surprising level of policy sophistication. They knew what was going on. So since welfare was my focus, Milwaukee seemed the place to be.

**ADVOCASEY:** *From your research in Milwaukee and around the nation, what would you say is the most important lesson thus far from our nation's six years of experience with welfare reform?*

**DEPARLE:** I don't think anybody glimpsed the extent to which enforcing a work requirement would send people off the rolls. One big lesson seems to be that if you require people to work for their benefits, great numbers will go off and make other arrangements. They'll go and find a job on their own, or they already had a job, or sometimes they'll rely on a boyfriend or a family member. They had more survival strategies than I first understood. Jason Turner, the architect of Wisconsin's program, was stunned by how fast the rolls fell. Part of it was the economy, of course. But when he put it up on a graph, it showed the caseload just nosedived as soon as they started implementing the new work rules in March 1996.

**ADVOCASEY:** *Looking nationally, what have been your biggest surprises in watching welfare reform unfold?*

**DEPARLE:** I've been humbled in my career as a prognosticator, because every time I issued a prediction, I think I was wrong. Certainly going back to when Clinton first came in, I didn't think something this far-reaching was going to pass. The whole history of welfare reform had been promises of bold change followed by tepid action. So it was a surprise to me—and I think to a lot of people involved in crafting the policy—that it went as far as it did.

The second surprise was that it actually got implemented. Sometimes things look very bold on paper but don't actually get put in place by states. The

third surprise was that so many people left the rolls so quickly. They just walked away in such numbers, and that surprised everybody. The fourth surprise was that so many people found jobs. On the whole this population proved itself much more able to find and retain work than most of us had glimpsed before that.

The final big surprise was that, despite all those things that sound like bold change, even when mothers successfully left welfare for work, it made less of a fundamental difference in their lives than I would have expected. I rarely met someone who seemed fundamentally transformed by it all.

**ADVOCASEY:** *Is that the case with the three women you profile in your book?*

**DEPARLE:** Yes. One of the women I am following went down South for a family reunion. She had gotten off welfare, gotten a job, and done well enough to rent a car that would get her to Mississippi. She took her kids down there to her grandmother's 89th birthday. So from my perspective, she was coming in triumph to the gathering of her family. I asked, "Did

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your relatives ask what you were doing? Did you tell them you were off welfare and working?" And she gave me this puckered look like she had bitten a sour lemon, and said, "Black people don't think like that, Jason! That's your trip!" She put it in racial terms, but it wasn't so much a racial comment as a comment about the role of welfare in her life. I think what she was really saying was that "You're defining the story as all about welfare, but that wasn't the focus of my life then, and it's not the focus of my life now."

I am struck by how quickly the great anger toward welfare recipients has dissipated [since the mid-1990s]. ... There's a much less hostile public attitude. I think it's a real opportunity for advocates, a better opportunity than at any time since I came on this beat. It seems like there's a tail wind going now for people who want to help low-income families that just wasn't there before.

Both she and her cousin—one left in August 1996 and one left in September 1996—were off welfare within six months after the Milwaukee work requirements were put in place. At first, I thought that would be the big turning point in their lives. But neither of them saw it that way.

**ADVOCASEY:** *What other surprises have you found?*

**DEPARLE:** Initially, I thought that a lot of the book would be set in a welfare office, that this would be where a lot of the action would take place. But it didn't turn out that way. In theory, the caseworker is supposed to play a variety of roles: a teacher, preacher, coach, cop, someone that you work through this process with. They're there to help you make plans to begin with and then solve the problems that come up along the way. Whether it's a child care problem, a problem with your boyfriend, or a problem with your employer, they're supposed to help you reason through and adjust to this new post-welfare life. In theory.

But the women I'm writing about in Wisconsin had almost nothing to do with their caseworkers. They just walked away from the system. They barely knew their caseworkers' names at the time. They just said,

"If I have to work for welfare, I'll just go work on my own. I don't want them in my business." The caseworker would be the last person they would think about going to to discuss some problem in their life.

**ADVOCASEY:** *Why do you think these caseworker relationships have been so weak?*

**DEPARLE:** Partly I think it's because welfare caseworkers are seen as authority figures. Most women on welfare don't want them in their personal business. Part of it is that this field doesn't attract the most empathetic or energetic frontline workers. That's a broad generalization, of course. There are exceptions. But I don't think society celebrates or rewards great welfare casework. Part of it is also the way the program is structured in Milwaukee: different private agencies serve different parts of the inner city, and since poor people move a lot their cases are constantly being transferred from one agency to another. Plus, there's a lot of turnover within the agencies themselves. One woman I'm writing about I think had seven caseworkers in a single year.

**ADVOCASEY:** *Having taken time to observe at close hand the lives of so many low-income families, what do you see as the hidden impacts of welfare reform—the*

*subtle dynamics that political leaders and academic experts might be missing?*

**DEPARLE:** I think there's more money in the households of the people I've visited than I would have guessed. Often they were working, even when they were on welfare. Usually there was a man involved somewhere who was contributing something, or other family members helping out. In other words, no one was living on welfare alone. It's kind of a paradox, though. I'm also struck by how high the overall level of material hardship is—hardship and just chaos. There's more money, but higher living costs, too. One thing that's impressed my editor so far, in reading about the women I've followed, is how little they complain. That struck me too—for all the hardship, I've seen very little self-pity.

The biggest surprise though, from being up close, is that the basic fabric of people's lives didn't seem to be transformed with their moving off of welfare and into work. The main character in the book was on welfare for 12 years. As soon as this work requirement comes about, she leaves welfare and gets a job. She's now been working steadily for five years. She's got a car. She's got a 401(k). The story could be told as one not just of success but dramatic success. They put this work requirement in place, and boom, she went off and got a job, and that was it. Never went back on welfare.

And yet the more I've gotten to know about her life, the less central that part of the story has seemed. Becoming a steady worker changed less about her life than I would have expected or would have hoped. She's involved with the same troubled man. She lives in the same troubled neighborhood. Her children have the same struggles. Her net income hasn't changed greatly—just the source of it. She might say that “Previously I was a low-income single mother trying to

raise my kids alone in a dangerous neighborhood in chaotic circumstances, and now that I'm off welfare I'm still a low-income single mother trying to raise my kids alone in a dangerous neighborhood in chaotic circumstances.”

**ADVOCASEY:** *Welfare was originally created in the 1930s to ensure the financial security of children. What has been the impact of welfare reform on children? Are the children of welfare families better off today than they were six years ago?*

**DEPARLE:** The theory of the welfare reform bill was that if we can get women into the workforce, it will benefit their kids both in economic and non-economic ways: it'll create positive role models, inject new order into family life, motivate kids to study and work hard themselves. On a certain level I'd like to believe that. Some part of me does believe that kids take away some sort of moral lesson of seeing their parents work hard to support them.

But gosh, it sure doesn't seem that way in most of the families I've gotten to know. In the three families I'm following, I would have to say that welfare reform has meant almost nothing for the kids. There may be a little bit more money, and a little bit more pride in the mothers, but there's also more stress, and there's

Pictured here at the height of her workplace success in 1994, Mary Ann Moore plans a meal as the cook in a homeless shelter. Sadly, Moore would be profiled again by DeParle in 1997, after she had relapsed into crack cocaine and sunk into depression and joblessness.





more unsupervised time for adolescents in a neighborhood where there's lots of trouble to get into. The kids don't seem to be registering this as "I'm proud of my mother for going to work," but as "She's not here as much, or she's stressed out, or she's snapping on me because she's tired from working. Or I'm not thinking about it because I'm 8 or 10 or 12, and I've got other things on my mind."

**ADVOCASEY:** *Are you saying that you don't buy the proposition that by entering the workforce, former welfare recipients are becoming better parents and role models for their children?*

**DEPARLE:** I'm saying it's real easy for welfare theorists to exaggerate the impact of a role model. It makes for a nice, upbeat story. Clinton used to say that "Work will bring meaning and structure to your life. Work brings dignity." We have this idea that we're going to take somebody who hasn't worked before, and get them into this more disciplined life where they can set an example for their kids. I think it's easy to romanticize that.

I started out thinking that a lot of people I'd be writing about would have grown up on welfare themselves, and then become welfare parents. But I've met lots of people who grew up with hardworking single mothers who weren't on welfare—that is, the kind of "role models" the law is now trying to create—and it didn't prevent them from dropping out of school and going on welfare, or, in the case of the men, getting involved with gangs or the drug trade. The main character of the book, the woman who was on welfare for 12 years, grew up with a working mother who was adamantly antiwelfare—i.e., a role model. But she still got pregnant at 17, dropped out of high school, and went on the rolls for a long time. Her mother's work didn't prove her salvation as an adolescent, and I'm not sure that the example of her work is going to prove the salvation of her children.

**ADVOCASEY:** *What has been the impact of welfare reform on men, on the fathers of children born to single mothers who make up the lion's share of the welfare population? Have they been bypassed in the welfare reform revolution? Are they being left behind?*

**DEPARLE:** I've come away from my reporting with an increased appreciation of the importance of fathers in these families. The adults I'm writing about, it was missing from their lives as children, and now it's missing from their children's lives.

In following the three women, I've gotten the life stories of maybe ten men who've played a role in their lives over time. I think there's only one who played a positive parenting role that seems to have meant anything for the kids. And he's not actually the biological father of any of the kids. He's a live-in boyfriend who all the kids like, and who's done some positive things for the kids. One out of ten is not a particularly good ratio.

This isn't a conclusion that I expected to arrive at, but in the long run I would say whether the kids have a father is going to govern their long-term prospects more than whether or not mom is getting a welfare check or a paycheck for making the beds at the Marriott or cleaning the nursing home.

**ADVOCASEY:** *What can be done to encourage men to get involved in their children's lives, to be active parents? Have you seen any models worth replicating?*

**DEPARLE:** I'm afraid I haven't come away with a five-point program of what to do about it. But it was interesting to me that the mothers I'm writing about have come to a similar conclusion themselves. One of the women's boyfriend was in jail for selling drugs. I used to drive her to the prison, which was a couple of hours away, and on one of the drives we were discussing the fact that she had never known her father, and her two boys had never known their fathers. They were then about 8 and 11, and she said that one of the lessons that she took away from her experiences as a single mother making the transition from welfare to work was just how much she thought the boys needed a father. She said she didn't realize that when she first had kids. She thought, if the guy sticks around, fine, if he doesn't, fine. That's up to him. She could do it on her own.

Another of the women, her son was 13 and having some problems, and she asked me to take them to Illinois to see her son's dad in prison. She felt that her

son wouldn't listen to her, and the only person he would listen to was his dad, who unfortunately was serving a long sentence. Later on we were talking about her son, and she said, "What can I say? He just needs his dad. He just misses his dad." She said that they ought to have programs where they let people in prison be with their kids, like send the kid to the prison for a few weeks. Her five-point program was to open up prisons where kids could go board with their dads. I think she was sort of serious. These kids need their dads.

**ADVOCASEY:** *What about the politics of welfare? Do you think that low-income people are seen in a more favorable light today than they were before welfare reform?*

**DEPARLE:** I am struck by how quickly the great anger toward welfare recipients has dissipated. In the 1994 election cycle, when the welfare rolls peaked, everybody was campaigning against welfare recipients. Even Ted Kennedy was running workfare commercials. The language was harsh and punitive and angry. You don't hear that anymore.

The welfare law has altered the predominant stereotype of poor people. In the past, the mental image that came most readily to the broader public's mind, I think, was somebody sitting in a housing project and doing nothing. Now I think the public is more likely to think of somebody who's stuck in a difficult, low-paying job: she can't keep her car running, she's losing her health insurance, she's rushing to get her kids from day care. It's a much more sympathetic image.

To his credit, that's something that Clinton had in mind. He talked about it publicly, and he talked about it privately. When he signed the bill he said that "this isn't going to be a political football any longer—politicians can't sit around complaining about people on welfare." I'm surprised at the extent that at least seems true or feels true. The whole debate feels a lot healthier than it did when I first started covering it.

I've come away from my reporting with an increased appreciation of the importance of fathers in these families. ... This isn't a conclusion that I expected to arrive at, but in the long run I would say whether the kids have a father is going to govern their long-term prospects more than whether or not mom is getting a welfare check or a paycheck for making the beds at the Marriott or cleaning the nursing home.

**ADVOCASEY:** *What do you think accounts for this change?*

**DEPARLE:** I think the welfare issue changed the public perception of poverty maybe more than it changed poor people. When I first started covering poverty issues, there was a kind of autopilot

assumption that whatever problem you were writing about was bad and getting worse. Whether it was out-of-wedlock births or welfare or the rise in crime or the waiting list for housing or the declining wages for low-income workers. The whole litany of problems for poor people always seemed bad and getting worse. There was pessimism in the expert community. And among the public more broadly, the reigning paradigm was still what Ronald Reagan had said, “We fought a war on poverty, and poverty won.” In other words, the poor will be with ye always. Trying to do anything about it is naive and may even make things worse. Give up. Don’t try.

But then in the mid- and late-1990s a whole lot of things stopped getting worse and started getting at least a little bit better. Poverty rates fell. Wages rose. Welfare rolls went down. Employment and earnings shot up. Crime fell to a 30-year low. Even out-of-wedlock births leveled off.

Today there really isn’t that sense of fatalism anymore—on the left or the right. The conservatism of George W. Bush is very different than the conservatism of Ronald Reagan in that sense. He’s not saying it’s futile to try to make the lives of poor Americans better. The welfare reform bill has been part of that broad change in the poverty zeitgeist—it’s been a confidence-building exercise for the policymaking class, if not for the poor themselves. My hope is that it will make the country want to do more for low-income families—and to believe it *can* do more for them, rather than throw up its hands and say “poverty won.”

**ADVOCASEY:** *In a December 1997 news analysis, you wrote that “to chart the nation’s nascent welfare policy is to glimpse the American soul, its caring and its callousness, its fairness and its biases, its competence and its neglect.” What do you believe the shifts in welfare policy over the past decade have revealed about America’s character? What does it say about our nation as a people?*

**DEPARLE:** I don’t know if it has answered whether this is a compassionate country. I think what it’s said is that social policy is going to emphasize work. I think most elected officials are inclined to support

programs for people who work, but also prepared not to do much for people who don’t. I see that as the big dividing line in social policy right now, not so much whether we care about the poor or don’t care about the poor. The strength of the EITC (Earned Income Tax Credit), the expansions in child care, the changes in welfare, these are all things that are meant to reward people who work.

There was a lot of talk during the debate in the mid-1990s about how welfare reform would lead to great cutbacks [in spending for the poor], but we’re actually spending more now. We’re just spending it in a different way. The Earned Income Tax Credit is now larger than AFDC ever was. These women I’m writing about get \$4,000 or \$5,000 in earned-income credits, including Wisconsin’s state program, and it’s utterly noncontroversial. You wouldn’t begin to get a legislative fight about it, whereas if they were getting the same or even less in AFDC you would have presidential candidates campaigning against it. That’s the bright dividing line. I think that social policy is increasingly being built around work obligations.

At an utterly unscientific level, just as somebody who ends up having a lot of conversations about welfare—the reaction I get is much different now than it was five or six years ago. It used to be that when I said I covered welfare, I would get a stream of invective about “those people.” Now, if I talk with someone who follows this from afar, they’ll probably say, “Oh yeah, they kind of changed that around, didn’t they? Gee, there’s a lot of those women out there who are really struggling, aren’t they?” There’s a much less hostile public attitude. I think it’s a real opportunity for advocates, a better opportunity than at any time since I came on this beat. It seems like there’s a tail wind going now for people who want to help low-income families that just wasn’t there before.





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