The Academy of Political Science

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POLITICAL SCIENCE QUARTERLY

Volume 116 · Number 4 · Winter 2001-2002

Ending Welfare As We Know It: A Reform Still in Progress

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In August 1996, President William Jefferson Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (H.R. 3734) into law. This law ended the entitlement status of cash assistance to poor families with children, called Aid to Families with Dependent Children (AFDC), which began in 1935 with the passage of the original Social Security Act. Between 1996 and 1999, there occurred a massive drop of over five million or 40 percent from some twelve-and-a-half million in the average monthly number of cash assistance recipients.[1] Based on such statistics, most political leaders on the federal and state levels of government including both the Democratic and Republican candidates for president in 2000 called the 1996 changes or "welfare reforms," a success.

Yet just looking at the macronumbers of the millions who dropped from the cash assistance rolls doesn't tell the whole story. We do not know how many of these recipients would have left the rolls anyway during four years of unprecedented economic boom, even if PRWORA and Temporary Assistance for Needy Families (TANF) hadn't been enacted, and how many will return in a recessionary economy. The gross numbers also do not reveal how many of these "welfare leavers"[2] have new jobs and have been able to reach financial

[1] In exact numbers, the total fell by 5,441,000, from 12,644,000 to 7,203,000; the number of adults fell by 1,884,000, from 3,973,000 to 2,089,000, while the number of children receiving cash assistance fell by 3,557,000 from 8,671,000 to 5,114,000. Committee on Ways and Means, *2000 Green Book* (Washington, DC: U.S. Government Printing Office [hereafter GPO], 2000), Table 7.4, Historical Trends in AFDC/TANF Enrollments, Fiscal Years 1970–1999, 376.

[2] The term was coined by Pamela Loprest, "Families Who Left Welfare: Who Are They and How Are They Doing?" (working paper prepared for The Urban Institute's Conference, Assessing New Federalism, February 1999).

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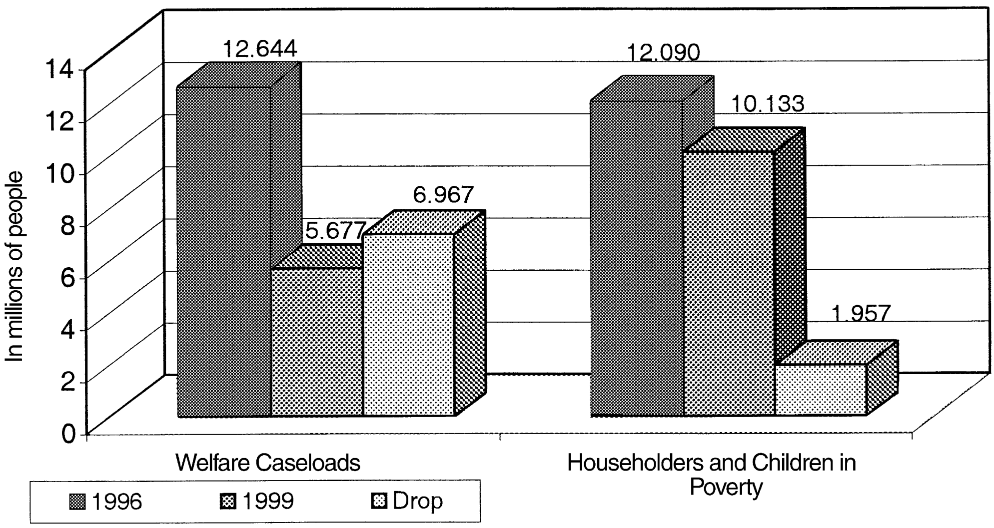
FIGURE 1
Female Householders with Dependent Children Under 18 Drop in Welfare Caseloads vs. Drop in Poverty, 1996 and 1999.



Source: The Census Bureau, Current Population Reports-Poverty in the United States 1996 and 1999, Table 2.

independence including supporting their children; nor do they reveal how many of them are in jobs that are low paying, lack health care, and are extremely vulnerable to economic downturns. Further, the macrofigures do not tell how many hundreds of thousands or perhaps even millions of mothers and children who left the public assistance rolls are without jobs and have simply dropped out from government statistics as they cope with lack of cash, lack of permanent housing, little food, and no medical care. Finally, the Census Bureau reported that in 1999, even after unprecedented boom times, there were still 10,133,000 individuals in female-headed households with children eighteen or younger living in poverty,[3] only a small decrease of 1,957,000 or 15 percent from the 12,644,000 reported for 1996.[4] (See Figure 1.)

This article reflects on the social and political changes that surrounded the repeal of AFDC, analyzes the effects of the new Act for the four years for which we have official data, and considers possibilities for further change of federal social safety net policy, particularly in the process of PRWORA's necessary reauthorization in 2002.

[3] The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is poor. The 2000 Poverty Threshold, as calculated by the Census Bureau, was $11,869 for a family with a single householder and one dependent child and $13,861 for a single householder and two dependent children.

[4] U.S. Census Bureau, *Poverty in the United States 1996 and 1999*, vol. 60 of *Current Population Reports no. 175 and 210* (Washington, DC: GPO, 1991).

Background and Setting

Clinton Proposals

President Clinton took office in 1993 following a campaign that had emphasized his commitment to "end welfare as we know it."[5] He did not seriously address the issue again, however, until June 1994, having initially focused his administration's attention on deficit reduction and health care. The central tenet of his reform proposal was an emphasis on work. "We propose to offer people on welfare a simple contract," he stated. "We will help you get the skills you need, but after two years, anyone who can go to work must go to work—in the private sector if possible, in a subsidized job if necessary. But work is preferable to welfare. And it must be enforced."[6]

The Clinton plan proposed a two-year lifetime limit on receiving cash assistance for those who could work, to be followed by mandatory community service jobs if private sector employment could not be obtained. He allowed exemptions for individuals who were either seriously ill or caring for a seriously ill or disabled child or infant. Also, states would have been able to extend the time limits for recipients who were enrolled in education or training programs, or if they faced serious obstacles to employment such as learning disabilities or illiteracy. These extensions, however, could not be applied to more than 10 percent of a state's caseload.

Another important part of Clinton's plan was that it required a commitment on the part of the government to provide child care, transportation, and other services to help those making the transition to work, as well as job training and paid work assignments to those who could not find or qualify for a private sector job. This plan did not propose ending AFDC status as an entitlement, although it did apply time limits for the receipt of benefits. In addition, the plan allowed states to limit benefit increases when recipients had more children. It also denied AFDC and Food Stamp benefits to legal immigrants in their first five years of American residence and limited their access thereafter.[7] Although Clinton did not propose a fundamental devolution of responsibility for welfare to the states, he was certainly willing to allow states more flexibility in tailoring their own program requirements and limitations. This was demonstrated by the fact that prior to PRWORA, his administration had granted waivers to many states to allow them to experiment with different aspects of AFDC.

[5] Richard L. Berke, "Clinton: Getting People off Welfare," *New York Times*, 10 September 1992; a campaign ad initially broadcast on 9 September 1992, in which Clinton stated, "I have a plan to end welfare as we know it—to break the cycle of welfare dependency. We'll provide education, job training and child care, but then those that are able must go to work, either in the private sector or in public service."

[6] "Welfare Reform Takes a Back Seat," *Congressional Quarterly Almanac 1994* (Washington, DC: Congressional Quarterly Inc., 1995), 364.

[7] Ibid. Clinton proposed to require an immigrant's sponsor to be financially responsible for the immigrant for five years. After the five years, if the sponsor's income was above the national median family income, the immigrant would have to become a citizen to be eligible for benefits.

But with little congressional support, Clinton's proposal for welfare reform failed to move forward. By attempting to appear centrist and moderate with his reform proposal, Clinton alienated major parts of both parties. Liberal Democrats found the plan's work requirements and time limits too harsh, while Republicans complained that it did not go far enough to dismantle the federal entitlement system and that it would perpetuate a system under which welfare recipients purportedly would be treated more generously than working families.[8] Also, because Clinton wanted to guarantee that poor mothers would receive meaningful assistance during their transition to work, the plan would have actually increased welfare-related spending in the short run.

The 104th Congress Republican Proposals

The November 1994 elections resulted in Republican majorities in both chambers of Congress for the first time since 1954, and they elected a particularly conservative group of Republicans as their leaders: Speaker Newt Gingrich, Majority Leader Dick Armey, and Majority Whip Tom DeLay. They introduced a welfare reform proposal as part of the 1996 Budget Reconciliation Act (HR 2491) that shifted responsibility for generating income to individuals and away from the government by placing five-year lifetime limits on cash assistance, requiring work after two years and denying benefits to unwed teenage mothers and children born to welfare recipients. The bill, which passed in the House and the Senate on party-line votes[9] but was vetoed by President Clinton, would also have block-granted funds for cash assistance to states and cut federal spending on welfare by $81.5 billion over seven years.

Following Clinton's veto, the Republicans in the House proposed the Welfare Overhaul Bill (HR 4), which was similar to the previous bill in that it provided block grants to states, placed lifetime limits on cash assistance, and denied assistance to unwed teenage mothers and children born to parents already receiving welfare. The Welfare Overhaul Bill, which too passed by strict party-line votes,[10] would have also decreased spending on Food Stamps and Medicaid. An Office of Management and Budget report assessing the bill's impact concluded that, if enacted, it would push over one million children into poverty. President Clinton, under pressure from congressional Democrats and advocates for the poor, vetoed the bill, declaring that it did "too little to move people from welfare to work."[11]

[8] "Welfare Reform Takes a Back Seat," 364.

[9] HR 2491 passed in the Senate 52–47 (D 0–46, R 52–1) and in the House 235–192 (D 5–191, R 230–1).

[10] HR 4 passed in the Senate 52-47 (D 1–45, R 51–2) and in the House 245–178 (D 17–174, R 228–4).

[11] "Welfare Bill Clears under Veto Threat," *Congressional Quarterly Almanac 1995* (Washington, DC: Congressional Quarterly Inc., 1996), chap. 7, 52.

PRWORA: The Final Compromise

The Personal Responsibility and Work Opportunity Reconciliation Act (HR 3734) resulted as a compromise between the wishes of President Clinton and the congressional Republicans.[12] Against Clinton's and the liberal Democrats' preferences, it dismantled AFDC, and in its place created TANF. The Act authorized six years of TANF block grants of $16.5 billion annually to the states, instead of the matching funds for AFDC that could increase or decrease without limit according to the state benefit level, the state's percentage match, and the number of welfare recipients receiving cash assistance that had defined that program as an entitlement.[13] The Republicans were able to achieve the death of unlimited matching funds for cash assistance from the federal entitlement, to decrease the federal allotments for Food Stamps by 13 percent through the creation of stricter eligibility standards, to cut benefits to individuals, and to take away most aid from legal immigrants.[14]

This bill did not, unlike prior Republican versions, include the dismantling of either Medicaid or Food Stamps as federal entitlements by turning them into block grants to states. Despite Clinton's dislike of many of the bill's provisions, but not wanting to drop the accomplishment of "ending welfare as we know it" for his 1996 reelection campaign, the President signed the act.

The difference between PRWORA and a bill that the President said he could have wholeheartedly supported lay in the level of commitment on the part of the federal government to genuinely assist poor mothers in their transi-

[12] PRWORA, or HR 3734, Final passage: House 256–170 [D 30–165 (ND 16–122, SD 14–43) R 230–2], Senate 74–24, [D 23–23 (ND 16–20, SD 7–3) R 51–1]; Conference Report PRWORA: House 328–101 [D 98–98 (ND 62–76, SD 36–2 2), R 230–2, I 0–1], Senate 78–21 [D 25–21 (ND 17–20, SD 8–1), R 53–0].

[13] See the *2000 Green Book*, 352. Strictly speaking the entitlement was for states that had chosen to participate in AFDC to receive matching dollars for a proportion of what they spent. The proportion of the match varied according to the per capita income of the state, with "rich" states like New York, Connecticut, or California getting back 50 cents for every dollar they spent and poor states like Mississippi, Louisiana, and New Mexico getting back 80 cents for every dollar they spent.

[14] The first action the bill took with regard to legal immigrants was to divide them into two groups: those who were in the country as of 22 August 1996 and those who came after preenactment and postenactment. Although most legal immigrants were originally barred from Food Stamps and SSI regardless of their date of entry into the United States, the date of entry distinction did matter for other programs. Most postenactment immigrants were barred from federal means-tested benefits, including SSI, Food Stamps, TANF, nonemergency Medicaid, and the state Child Health Insurance Program (CHIP) for their first five years in the United States. States were given the option to bar preenactment immigrants from TANF and nonemergency Medicaid programs. Since 1996, eligibility for SSI and Food Stamps has been restored to many preenactment children, elderly, and disabled persons, deepening the divide between the support available to the pre and postenactment groups. See Wendy Zimmerman and Karen C. Tumlin, "Patchwork Policies: State Assistance to Immigrants under Welfare Reform," The Urban Institute, May 1999. According to the *2000 Green Book*, "The basic policy laid out by the 1996 welfare law remains essentially unchanged for noncitizens entering after its enactment." *2000 Green Book*, 1372.

tion to work.[15] But for the most part, this bill did just what the new breed of Gingrich-led House Republicans had in mind: end cash assistance to poor families as a federal entitlement, force poor women to work without providing much costly assistance or a safety net, cut some spending out of the federal budget by decreasing individual food stamp allotments, cut out benefits to legal immigrants, and increase the power of the states. The following sections will address what has happened nationally and on a state level to individuals, and what the political consequences and justifications have been with regard to the move toward block granting and time limits.

Postdevolution Realities

Impact on AFDC/TANF recipients

Between 1995 and 1999, the average monthly number of TANF recipients dropped by 47 percent, the number of children receiving cash assistance fell by 45 percent, while the number of adults fell by 52 percent.[16] (See Table 1 in the Appendix.) Whether or not PRWORA has been a success five years out depends on whether this sharp decrease in welfare recipients represents actual gains in financial independence through the acquisition of good jobs. Evaluating the effectiveness of PRWORA has been difficult because of the sheer numbers of persons who were involved and a limited public record of what happened to the welfare leavers. Also, the scholarly analyses available are based on the experience of at most a few thousand individuals. In addition, no one knows how many of the millions of welfare leavers would have left the cash assistance rolls anyway because of the large economic boom experienced by the American economy in the years after PRWORA was passed. The boom contributed to the creation of hundreds of thousands of new jobs and a May 2000 unemployment rate of only 3.9 percent—the lowest since January 1970.[17]

The successful welfare leavers. The best-case scenario for poor Americans who left the cash assistance rolls after 1996 is that some have been successful in finding jobs and attaining a greater level of financial independence. As a consequence of the two-year limit at any one time and five-year lifetime limit on cash assistance mandated by PRWORA, many welfare recipients who could find a job voluntarily left public assistance, at least temporarily, following the passage of the act. A study on early welfare leavers found that the majority (69 percent) reported having done so because of work related reasons—increased

[15] Peter Kilborn and Sam Howe Verhovek, "Clinton's Welfare Shift Ends Tortuous Journey," *New York Times*, 2 August 1996.

[16] Calculated from the *2000 Green Book*, tab. 7.4, 376.

[17] U.S. Bureau of Labor Statistics (stats.bls.gov/blshome.htm), 6 June 2001.

hours or earnings, or a new job.[18] These early welfare leavers were among the most able and employable welfare recipients and entered the job market during the economic boom. Even so, 10 percent of early welfare leavers reported having left the cash assistance rolls because of administrative problems rather than the gaining of a job. Within a year, nearly a third of the leavers had returned to cash assistance, and about 25 percent were not working and had no partner working.[19]

According to another study of people who left the New Jersey welfare system after 1997, only a third were able to find work and support themselves a year after their public assistance ended. Two-thirds remained below the federal poverty level and fully half lost their homes, forcing them to move in with friends or family or to seek emergency housing in homeless shelters.[20] As many as 27 percent of New Jersey's recipients left welfare without finding work and were barely subsisting on what little they could get from other government subsidy programs such as Food Stamps and unemployment compensation.[21]

Looking at the national picture, Cornell University economist John Bishop notes that between 1994 and 1998, single parents increased their labor force participation by about 1.3 million, while the AFDC/TANF single parent caseloads fell by 1.7 million. These data suggest that a majority of those leaving welfare were able to find some kind of job but that there were some 400,000 who had not. In addition, Bishop concluded that even though the majority of single parents who had left welfare as of 1998 seems to have been able to move into the labor force, "further reductions in the unemployment rate of single parents are probably not feasible." In his view, for some poor families, the need for cash assistance will never disappear.[22]

One central issue interfering with single parent movement from welfare to work is lack of available quality child care. Single mothers leaving welfare for work have created a need for an additional one million spots for toddlers and preschoolers in child care. Inexpensive care of these children often means they are receiving low quality care, which leads to lags in language and social development. Other families are inhibited in their use of child care because it is located at great distances from a parent's home and work, compounded when siblings have to be placed in separate facilities. Furthermore, often there is no care for sick children or children of people who work at night.[23] The reality that only

[18] Pamela Loprest, "How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers," *New Federalism: National Survey of America's Families* 36 (April 2001).

[19] Loprest, "Families Who Left Welfare: Who Are They and How Are They Doing?"

[20] Describing people or families as having incomes above the official poverty line does not necessarily mean that they have the means for adequate self-support. The federal poverty line is not adjusted for regional cost-of-living differences and therefore often falls dramatically short of what a family actually needs for self-sufficiency.

[21] David Kocieniewski. "Study Finds Mixed Results in Reducing Welfare Rolls," *New York Times*, 22 October 1999.

[22] John H. Bishop, "Is Welfare Reform Succeeding?" Working Paper Draft, 12 August 1998.

[23] Tamar Lewin, "Study Finds Welfare Changes Lead a Million Into Child Care," *New York Times*, 4 February 2000.

one in ten families who qualifies for child care assistance actually receives it is particularly ironic given that one of PRWORA's stated goals was "to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives."[24] In addition to the one million children placed in poor quality care, other children are being sent to their grandparents as their parents' benefits disappear or are taken from their mothers and placed in foster homes. The *New York Times* reported: "As Wisconsin drives its welfare rolls to record lows, the number of grandmothers pressed into action is reaching unexpected heights. Unwilling or unable to work for public aid, many of the state's most troubled mothers have lost their benefits, often en route to drug clinics, shelters or the streets. And grandmothers . . .—angry, worried, or plain exhausted—are being left to care for the children abandoned along the way."[25]

Compounding the problem for welfare leavers, the strong technology-driven economy caused housing and health care prices to rise dramatically, while failing to substantially increase the wages of low-skilled workers. Homelessness has increased as a result of recipients being dropped from the welfare rolls because of time limits; but even if dropped after taking a job, in most cases they have been earning such low wages as to make it impossible to pay increasing rents. The decreasing supply of affordable housing has had a particularly negative and dramatic effect on the daily lives and opportunities of those with limited means. For the most vulnerable of the poor, loss or reduction of cash aid along with rising rents and stagnant low-skilled wages have caused homelessness among families with children.[26]

The bottom line is that there have been three outcomes for welfare leavers: first, there have been some functional individuals who were jolted out of their complacency or laziness and got normal employment; second, there is another larger slice who have been able to obtain low-paying, low-skill jobs and temporarily leave welfare, often at great cost to their children's development; and third, there is a group that has not been able to find and maintain jobs, and with time limits on cash assistance having come into play, they now are deeper in poverty than ever. Ron Haskins, staff director for the welfare panel of the Republican-controlled House Ways and Means Committee's welfare panel, has acknowledged, "There are people at the bottom who are worse off."[27] While between 1993 and 1995 the economic situation of families headed by single women generally improved, by 1997 the poorest 20 percent of these families experienced decreases in income, by an average of $577 a year, leaving them with an average annual income of $8,047.[28] For the most part, these were families who had left welfare but could not earn a living wage.

[24] H.R. 3734 Personal Responsibility and Work Opportunity Reconciliation Act of 1996, part A, sec. 410, (a) (1).

[25] Jason DeParle, "As Welfare Rolls Shrink, Burden on Relatives Grows," *New York Times*, 21 February 1999.

[26] For more information on family homelessness, see Ralph da Costa Nunez, *The New Poverty: Homeless Families in America* (New York: Insight Books, 1996).

[27] "Study Says Welfare Changes Made the Poorest Worse Off," *New York Times*, 23 August 1999.

[28] Ibid. The average yearly income in this group fell to $8,047. The situation was worse for the poorest 10 percent, who lost an average of $814 a year.

With respect to the most fragile and dysfunctional families, the new welfare system—which cuts off benefits to their entire family unit if parents will not or cannot work and limits cash assistance to a maximum of five years and as little as two years in some states—has caused homelessness, extreme deprivation, and in some cases child abandonment or the forced placement of children in foster homes.

Current TANF recipients. A worse case scenario awaits poor Americans who still receive welfare, but are facing impending time limits and the severe obstacles many recipients face in trying to work, especially if the economy is weak. One effect of the impending deadline has been to spur welfare agencies and caseworkers to focus intently on problem cases, often realizing the enormity of the roadblocks standing between their clients and work. It is those who are least capable of work who, with their children, remain on the cash assistance rolls. Many suffer physical or mental health disabilities, or substance addiction, or may be caring for an ill or disabled relative. At the very least, most welfare recipients lack adequate educational training, and many are not fluent in English.

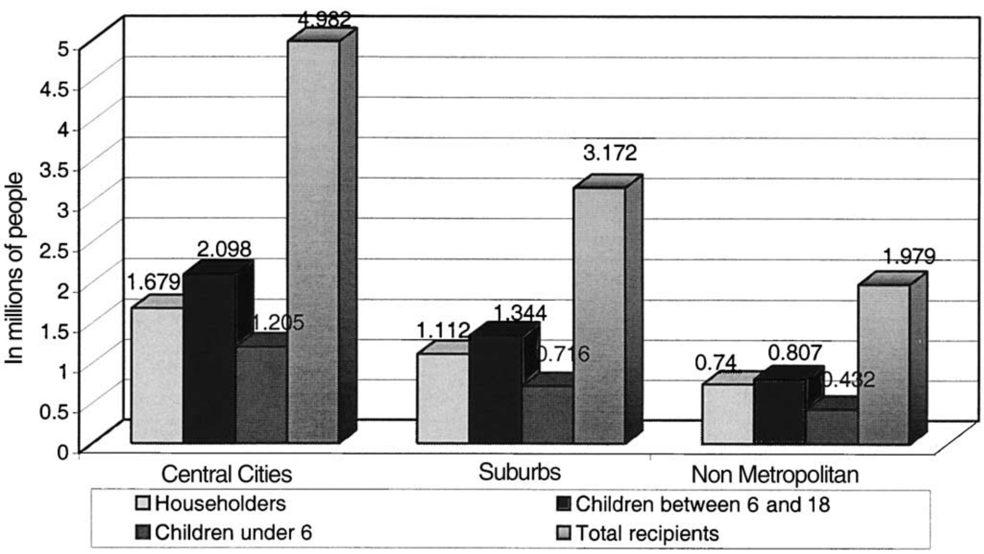
An Urban Institute study provides some data that illustrate the differences between current cash assistance recipients and those who have already left the rolls. This study identified six potential obstacles to labor market success: poor physical condition, a child under one year of age, a child receiving Supplemental Security Income (SSI), limited English, low level of education, and infrequent employment. The researchers found that 42 percent of those who left welfare in 1997 faced none of the identified obstacles. Of those still receiving benefits, only 22 percent had no obstacles, and 44 percent faced two or more. Importantly, current recipients have significantly lower levels of educational attainment than those who have left.[29]

New York City had just such a group of remaining welfare recipients who were having trouble moving into self-sufficiency. The city's Independent Budget Office (IBO) reports: "A growing portion of the city's welfare caseload is exempt from work or training activities because of health and other reasons that limit their ability to participate. This suggests that a significant number of public assistance recipients may remain in need of aid when their federal welfare benefits expire."[30] The IBO estimates that at the end of 2001, almost 100,000 people will be cut from the TANF program due to time limits and will be moved into the state-funded safety net program. PRWORA allows any state to ignore TANF time limits if they do not use federal dollars but only their own. Also, New York is very unusual because its state constitution mandates aid to the needy, even if it comes exclusively from state dollars. Of course, New York City's problems were greatly compounded by the terrorist destruction of the World Trade Center and the businesses servicing it.

[29] Pamela Loprest, "Current and Former Welfare Recipients: How Do They Differ?" Discussion Paper 99-17, Urban Institute, November 1999.

[30] City of New York Independent Budget Office, *Inside the Budget*, no. 82, 4 May 2001.

FIGURE 2
Female Householders with Dependent Children in Poverty in 1999 Disproportionally Concentrated in Central Cities



Source: The Census Bureau, Current Population Reports, Poverty in the United States 1999, Table 2.

Complicating the situation is a lack of available jobs for which cash assistance recipients are qualified. A 1999 Brookings Institution study finds that welfare caseloads are not declining at the same rate in all kinds of locations. Older cities in the South, Northeast, and Midwest tend to have increasing shares of state welfare rolls.[31] Urban areas with spatially concentrated poverty have higher levels of welfare caseloads, and they have higher unemployment rates and homelessness than other areas,[32] making the chances of welfare recipients in poor urban areas to find jobs seem even slimmer than in other areas. As Figure 2 shows, single mothers and their children in poverty in central cities are almost as great as in the suburbs and rural areas combined. In percentage, rural areas too have high levels of poverty, as many rural areas also lack accessible employment opportunities because of unaffordable transportation over long

[31] Following the *Congressional Quarterly*'s categorization, the Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin; the Northeast includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia; the South includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia; and the West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

[32] "The State of Welfare Caseloads in America's Cities" (Washington, DC: The Brookings Institution—Center on Urban and Metropolitan Policy, 1999).

distances.[33] The lack of local jobs and necessary job skills is often compounded by confusing and unhelpful interactions with welfare agencies that often fail to provide entitled support. "Even when city governments provide jobs, these jobs often do not lead to future work. Under the Work Experience Program (WEP), many New Yorkers have been earning their welfare checks by working for the City cleaning streets and parks or performing low-level clerical jobs in a few other agencies. The conditions they work in are often dangerous and demeaning."[34] Often this form of initial and inadequate employment is inhibited by lack of access to quality child care. For the more fragile and otherwise dysfunctional cash assistance recipients, the time limits and work rules of PRWORA are not a nudge toward work but toward an impending crisis. What lies ahead for poor Americans depends on their state's policies affecting the poor and the generosity of their state of residence rather than on any federally defined safety net.

State Variation in Dealing with TANF Population

The new TANF system is characterized by nothing if not variations because of the almost free rein that states have been given with their federal block-grant money. The single uniformity is the focus on work as opposed to poverty reduction that drives the policies of the states. Alan Weil, director of the Urban Institute's "Assessing the New Federalism" project, points out that there are three main strategies for moving people from welfare to work being pursued in different combinations and with different emphases by the states:[35] supporting the work effort of parents through subsidizing child care, health insurance, and transportation; improving the skills of those trying to get a job; an approach that many states have emphasized—simply erecting barriers to obtaining cash assistance.

In implementation, the job-first approach of the PRWORA, which is clear in the name of the act, caused in many cases the redefinition of the front line workers' approach to clients, as the case workers became more focused on driving their applicants to employment rather than guiding them through eligibility rules and paperwork for other benefits. Symbolic of this shift, states changed the titles of their frontline workers to better reflect the goals of self-sufficiency and work emphasis of the new law. In Michigan, the former "Assistance Payment Worker" became the "Family Independence Specialist," and in Georgia the same position was named "Family Independence Case Manager."[36] Fur-

[33] See Somini Sengupta, "In Rural Counties, the Squeeze of Poverty Can Be Stronger," *New York Times*, 29 April 2001.

[34] Testimony of Sylvia Ruff in "Welfare as They Know It," *Harper's Magazine*, November 1997, 24–29.

[35] Alan Weil, "Assessing the New Federalism" (Urban Institute's Conference, February 1999). These strategies are also discussed by the Department of Health and Human Services in their "Third Annual Report to Congress," August 2000 (www.acf.dhhs.gov), 24 August 2001.

[36] Thomas L. Gais et al., "The Implementation of the Personal Responsibility Act of 1996: Commonalities, Variations, and the Challenge of Complexity" (conference paper prepared for The New World of Welfare: An Agenda for Reauthorization and Beyond, Washington, DC, 1–2 February 2001), 13.

thermore, rhetoric used by caseworkers in welfare offices focused on the work and independence goals of the PRWORA. Texas's welfare commissioner coined the slogan, "Get a job, get a better job, get a career."[37] Welfare offices across the nation display signs that proclaim "Welcome job seekers" and "You have a choice, choose a job!"[38]

The shift to block grants has been central to the increase in disparities in the amount of funding provided to each state and to the level of cash assistance given to individuals within a state. Previously, under AFDC, states were reimbursed for a percentage of their welfare expenditures with matching federal funds, according to a formula that returned 50 percent to the highest per capita income states and up to 80 percent to those with the lowest. The size of TANF block grants were made equal to the largest yearly amount paid by the federal government to a state for AFDC, Emergency Assistance to Needy Families (EA), and the Job Opportunities and Basic Skills Training Program (JOBS) programs in the fiscal years 1992–1995. Some of these years had a weak economy and therefore large caseloads. PRWORA also provided some supplemental grants for states with above-average population growth and below-average welfare spending per poor person in fiscal year 1994.[39]

There has always been wide variation—even under AFDC—in the level of cash assistance that states have chosen to extend to their eligible poor. Since the AFDC's origin in 1935, poorer states, especially in the South, have provided less cash assistance to their citizens, and they continue to spend very little. (See Figure 1 in the Appendix.) Accordingly, they also received the smallest reimbursements in numbers of dollars. The poorest three states—New Mexico, Mississippi, and Louisiana, which also had the lowest benefit levels under AFDC—had all spent less than 70 percent of the federal TANF money awarded to them by the end of 1998. This windfall of federal dollars to states was possible because states are not required to return unspent TANF dollars to the federal government. In the 2002 reauthorization of the law, the block grants may reflect how much the states actually spent on the poor during the time TANF was in effect rather than being tied to AFDC spending that would have become out of date.

Even when states spent all the money allotted to them, as nineteen states did,[40] they varied widely in the programs on which they chose to spend their federal dollars. Some states have chosen to spend generously on programs to support welfare recipients in their mandated transition to work. For example, Wisconsin expanded job-placement services, increased the number of counselors, guaranteed child care, created thousands of community service jobs, and raised monthly benefits almost to the highest level in the contiguous forty-eight

[37] Ibid., 12.

[38] Ibid., 12.

[39] See *2000 Green Book*, 353.

[40] Ed Lazere and Lana Kim, "Welfare Balances in the States: Unspent TANF Funds in the Middle of Federal Fiscal Year 1999" (Washington, DC: Center on Budget and Policy Priorities, 12 January 2000).

states. Other states have used federal money to pay for programs formerly funded from state budgets, thereby freeing state money for tax cuts. *City Limits Weekly* reports that New York planned to use its TANF surplus to substitute federal for state dollars to support existing services for the poor, thereby freeing money for tax cuts and spending on other budget items.[41]

Minnesota is an example of a state that was relatively generous to its poor. The experimental Minnesota Family Investment Program (MFIP) was deemed a success by the Manpower Demonstration Research Corporation (MDRC), one of the earliest organizations that designed pilot projects to help poor people get to work.[42] The pilot program was initiated pre-TANF, beginning in April 1994 and ending in June 1998. Since 2001, a less generous version of MFIP is in effect, and its outcomes have not yet been evaluated.

Like other reformed welfare programs, pilot MFIP mandated participation in employment and training activities. In order to reach the goal of making work pay, however, recipients were eligible for welfare until their income reached 140 percent of the poverty line. In order to support family stability, penalties were removed for making two-parent families ineligible for welfare if the primary earner worked more than 100 hours a month or if he or she did not have a recent work history. In addition, MFIP paid child care subsidies directly to providers if the recipient worked while receiving welfare. Finally, the program consolidated AFDC, Food Stamps, and Family General Assistance into one program with common rules.

The outcomes of the MFIP pilot program were extremely positive. Single-parent long-term welfare recipients experienced significant increases in employment and earnings, and were able to sustain employment into the third year of research follow-up. In terms of family life, single-parent families experienced a large decline in domestic abuse, some increase in marriage rates, fewer behavioral problems in children, and improved school performance. Two-parent families benefited from reduced pressure for both parents to work and saw reduced divorce rates, higher incomes than those on AFDC, and increased home ownership. MDRC's analysis found that MFIP's positive impact on children was due primarily to the additional money available to working families and not to its participation mandates.

Naturally, because MFIP increased support for working families through financial incentives and increased eligibility, it cost more than the previous welfare program—between $1,900 and $3,800 more per family per year. Since the enactment of TANF and program expansion to the entire state, Minnesota has reduced the generosity of its program. Jeff Thompson of the Oregon Center for Public Policy writes: "Compared with the original Minnesota Family Invest-

[41] Annia Ciezaldo, "Inside the New State Budget: A Welfare Slush Fund," *City Limits Weekly*, no. 224, 17 April 2000.

[42] Virginia Know, Cynthia Miller, and Lisa Gennetian. "Reforming Welfare and Rewarding Work: A Summary of the Final Report on the Minnesota Family Investment Program," *MDRC*, 2000. All data on MFIP and its outcomes were obtained from this MDRC report.

ment Program, the new version requires a lower income for eligibility, provides less training, decreases incentives, stiffens sanctions, and includes time limits. In taking credit for the original program's success, while carrying out an inferior alternative, Minnesota's welfare agency is trying to get away with a classic bait and switch."[43] Though the pilot form of MFIP is no longer in existence, it is interesting to note that a welfare program that mandated work, but that also guaranteed real support and rethought the impact of its incentive structure on families, achieved a significant level of success in terms of poverty reduction and increased employment. One way for more states to fund this type of intensive support would be to use their TANF surpluses to provide assistance to families beyond their time limit if it is still needed.

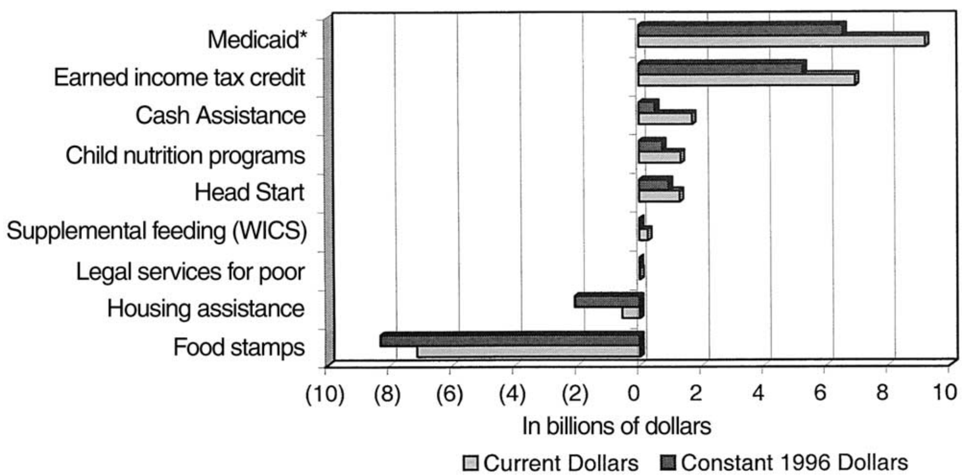
California's TANF program, California Work Opportunity and Responsibility to Kids (CALWORKS), requires welfare recipients to work after being on cash aid for eighteen to twenty-four months. If the welfare recipient is unable to find a regular employment, CALWORKS provides subsidized employment or community service activity. The report of the California Budget Program suggests that it helps to move recipients toward financial independence while taking into account their different needs. This is the most interesting aspect of this program and probably the reason for its success. The transitional jobs in a public or private setting were chosen to provide participants with valuable job skills and sometimes with educational and training activities. Depending on the particular needs, counseling time can also be considered as part of the job. The working recipients may be paid through regular grants directly from the welfare offices or given wages through the employer. If given wages, the simulation of a real-world job has various benefits, both psychological and practical: the recipients do not feel different from other employees or discriminated against, are eligible for Earned Income Tax Credit (EITC), have access to job-related references, and contribute to Social Security and to Medicare. Furthermore, another incentive for participating in the program is that wage-based services were not counting toward the federal five-year limit on cash aid.[44]

There has always been wide variation among the states in the size of welfare payments given, but now this wide variation extends to the kind of job training and child support services to help them leave the cash assistance rolls. Variation among the states provides an example of the potential dangers of the devolution of federal funds into block grants to states and the end of the federal guarantee to support and aid America's poor. Those least employable and lacking in skills need support the most. But it seems that this is the exact group of people most forgotten by PRWORA, which lacks legal mandates to each state to provide job training, job placement, and, perhaps most important, public service jobs or government subsidized private jobs when adequate employment would not otherwise be available.

[43] Jeff Thompson, letter to *New York Times*, 20 June 2000.

[44] California Budget Program, *Welfare Reform Update, Calworks Community Service: How Can Counties Make it Work?* (www.calib.com/peerta/policies/employ.htm), November 2000.

FIGURE 3
Change in Federal Outlays for Poor People, 1996 to 2000.



Source: Calculated from Budget of the U.S. Government, Fiscal Year 2001, Historical Tables, Table 11.3.
* Medicaid figures exclude money spent on elderly and disabled recipients. Changes are between 1996 and 2000.

Impacts on Federal Government Outlays

Cash assistance. Ironically and contrary to the goals of the Act, PRWORA has actually resulted in increased federal outlays for cash assistance for the former AFDC population than what would have been the case under the old system. (See Figure 3.) Because PRWORA tied funding levels of the block grants to the highest of the three pre-1996 years of spending, federal outlays stayed at those levels, despite the nation's economic boom and the sharp drop of persons on cash assistance. The sharp drop of cash assistance recipients under the old, matching-funds system would have reduced federal outlays as state outlays declined.

Medicaid. Before the passage of the 1996 welfare reform, recipients of AFDC were automatically eligible for Medicaid and able to receive that benefit through the same application process. PRWORA separated the application requirements for TANF cash assistance and Medicaid for parents and children, causing confusion that initially led to a drop in the number of uninsured and eligible families receiving Medicaid. While the federal eligibility requirements for Medicaid did not change with the enactment of the PRWORA,[45] Families

[45] In order to qualify for Medicaid, persons must be either elderly and low-income, disabled and low-income, medically needy (with a moderate income but extremely high medical bills), a member of a low-income family with dependent children, or a pregnant woman and have countable assets (determined by the states) that are valued below federal limits.

USA found that the number of low-income parents who received Medicaid fell by 945,900 in the fifteen states they studied, from 3,503,553 in January 1996 to 2,557,653 in December 1999.[46] Even so, outlays for Medicaid for the nonelderly and nondisabled—meaning then primarily for poor single mothers and their dependant children—did increase from FY 1996 to FY 2000. (See Figure 3.)

Getting approved for Medicaid coverage has, however, not been easy. Unless severely disabled, adults with no children are completely ineligible for Medicaid in forty states;[47] low-income parents are in principle eligible for coverage, but states set their own standards for income requirements and thus control enrollment. In twenty-six states, a parent working full time, earning $5.15 per hour (minimum wage) for a yearly total of $9,373 for a 35-hour week and $10,712 for a 40-hour one while supporting a family of three is deemed to have "too much income" to qualify for Medicaid coverage, even if his or her job does not provide health insurance.[48] In three of these states—Louisiana, Virginia, and Texas—parents working more than 12, 17, and 18 hours per week, respectively, at this wage would not qualify for Medicaid.[49] The problem of insuring low-income parents is two-fold: the transition to separate the application for Medicaid and cash assistance can be confusing, leaving many temporarily uninsured; the state variation resulting from states being allowed to create their own eligibility requirements leaves many low-income parents permanently uninsured.

As a partial remedy, the Balanced Budget Act of 1997 created the State Children's Health Insurance Program (SCHIP), which guarantees free or low-cost health insurance to all children in families earning less than 200 percent of the federal poverty level and gives states the option to increase coverage.[50] SCHIP, however, is not an entitlement program and does not get implemented automatically. States have to choose to set it up and then fix eligibility requirements for coverage based on geography, age, income, resources, residency, disability status, access to other health insurance, and duration of eligibility for coverage.[51] As of the end of FY 1999, twenty-five states had not yet established a SCHIP Program. Furthermore, as states must determine how to disseminate information about SCHIP to needy families, the program has been slow to catch on. As of early 2001, there remained 7 million low-income children who were not covered by SCHIP, Medicaid, or private insurance.[52]

Food Stamps. The number of people who receive Food Stamps has fallen in recent years, from 27.5 million recipients in 1994 to 18.6 million in 1999, and

[46] Robert Pear, "A Million Parents Lost Medicaid, Study Says," *New York Times*, 20 June 2000.

[47] Families USA, "The Heath Care Safety Net: Millions of Low-Income People Left Uninsured," July 2001 (www.familiesusa.org), 3 August 2001.

[48] Ibid.

[49] Pear, "A Million Parents Lost Medicaid."

[50] *2000 Green Book*, 931.

[51] Ibid.

[52] Families USA, "The Health Care Safety Net."

thus reduced federal outlays by $6.436 billion (or $8.265 billion in 1996 constant dollars).[53] (See Figure 3.) A study by the U.S. Department of Agriculture (USDA) attributes 55 percent of the decline to a decrease in the rate at which eligible poor people were actually receiving needed assistance,[54] and only 28 percent of the decline to a decrease in the number of people with low incomes. In 1998, only 70 percent of poor children received Food Stamps—down from 88 percent three years earlier.[55]

In sum, federal outlays on Food Stamps and the number of participants in Food Stamps have dropped, but not because of a commensurate decrease in need. One factor is that a large number of welfare leavers are confused by the separation of Medicaid and Food Stamps from cash assistance, and they are both discouraged and confused by new bureaucratic obstacles. Because Medicaid and Food Stamp eligibility were automatically granted under AFDC through welfare eligibility, the separation of these two programs and changing eligibility standards from those for cash assistance has resulted in confusion, even though the federal eligibility standards for Medicaid and Food Stamps have not changed from what they were before PRWORA. Administrative policies created by states in the aftermath of welfare reform impede, sometimes deliberately, many needy people from receiving the support to which they are still entitled. Food Stamps application forms in many states are so long, difficult, and confusing that they deter eligible people from applying.[56] Thus, many welfare leavers are not simply living without cash assistance, but many are also struggling without the health and nutritional subsidies that they received while on welfare and to which they are still legally entitled.

Political Impacts

Now that the federal government has passed the resources and authority to run cash assistance safety-net programs to the states, federal officials can claim that their hands are largely tied and that advocates for the poor must look to the

[53] The federal government requires that food stamp recipients have an income and assets below a set level and that they register for work or job training; the PRWORA requires that adults without dependent children work at least half-time or enroll in a job training program to receive Food Stamps for longer than 3–6 months. Many TANF, SSI, and General Assistance recipients automatically qualify for Food Stamps, while most strikers, noncitizens, post-secondary students, and institutionalized persons do not. Families without a permanent address may not qualify for Food Stamps.

[54] Parke Wilde, et al., "Food Assistance and Nutrition Report No. 7: The Decline in Food Stamp Participation in the 1990's" (Washington, DC: USDA, Economic Research Service, Food and Rural Economics Division [www.ers.usda.gov/publications/fanrr7/], 21 June 2001). Another 12 percent was attributed to "program reform and political variables," and only 28 percent of the decline was accounted for by a decrease in the number of people with low incomes.

[55] "Study Says Welfare Changes Made the Poorest Worse Off," *New York Times*, 23 August 1999.

[56] Nina Bernstein, "Bingo, Blood and Burial Plots in the Quest for Food Stamps." *New York Times*, 12 August 2000. See also, Food Resource and Action Center at www.farc.org and Mathematical Policy Research at www.fns.usda.gov, August 2000.

fifty governors to do the right thing for their poor citizens. President Clinton made this clear in a 1997 speech to the National Governors Association. "You asked to be cut loose from the federal government's bureaucratic strings," he reminded the assembled governors, "and we did that. But now you have continuing responsibility that is greater."[57] This meant that if any "anti-welfare ideologues" were left, there would be no point in directing their venom to the federal government or, more specifically, to the president.

Thomas L. Gais of the Rockefeller Institute's Federalism Research Group has found that welfare reform in the 1990s gave power not just to state governments overall, but also to state executives in particular, limiting the role of state legislatures.[58] These reforms have strengthened governors—and so it is no surprise that they heavily supported PRWORA. Gais writes:

> A striking feature of devolution has been the salient and often dominant role played by governors and top state executives and the contrasting political weakness of state legislatures. The recent history of devolution has largely been a history of executive action. Governors pushed for increasingly ambitious waivers from Medicaid and AFDC in the early 1990s. . . . Governors in the Midwest—as in most states within our research sample—were very active in fashioning the new welfare policies, while state legislatures usually made only marginal changes before the legislation was finalized. If anything, the role of state legislatures has declined even further since the [welfare] reforms were enacted.[59]

It is the many complex and varied possible responses to any given family's situation that preclude legislative codification and leave safety-net decisions up to individual executives and administrators.[60] The danger of this is the difficulty it creates in evaluating states' welfare programs—now a patchwork of programs with different rules and benefits depending on the state, administered according to the views of sometimes idiosyncratic individuals who happen to be serving in key political roles.

TANF Surpluses. Another benefit to governors is that as welfare rolls shrank and the size of federal block grants remained the same, surplus TANF dollars amounted to a windfall—a kind of general revenue sharing, allowing top state executives, especially governors, to enact politically popular tax cuts and increase spending on other programs. At the end of fiscal year 1999, the

[57] Remarks made by President Clinton to the National Governors Association, 28 July 1997, Las Vegas, Nevada.

[58] State legislatures have missed out on this new power, partially because state legislative bodies have nowhere near the amount of influence vis à vis a governor as Congress has toward the president.

[59] Thomas L. Gais, "Concluding Comments: Welfare Reform and Governance" in Carol S. Weissert ed., *Learning from Leaders: Welfare Reform Politics and Policy in Five Midwestern States* (Albany, NY: Rockefeller Institute Press, 2000), 173–189.

[60] See Demetrios Caraley, "Dismantling the Federal Safety Net: Fictions Versus Realities," *Political Science Quarterly* 111 (Summer 1996): 250–51. As could easily have been predicted, governors have in fact gained power as a result of the block granting of cash assistance, as well as the devolution of much of the policy-making authority around welfare.

states were in possession of approximately $7 billion of unspent TANF funds out of $40 billion available.[61]

The surpluses have caused some members of Congress to argue that federal TANF funding should be cut back, as states appear not to need a significant portion of their funds. In March 1999, Representative Nancy Johnson (R-CT), chairman of the House Ways and Means Subcommittee on Human Resources, sent a strongly worded letter to all fifty governors, pointing out that much of the TANF money had yet to be spent. "The time is rapidly approaching," she wrote, "when it will not be possible to protect these funds unless states begin to demonstrate that all the funds can be productively employed. Spend the money."[62]

A year later she again wrote to the governors. Although she praised them for bringing 2002 TANF surplus projections down from $22.8 billion to $14.2 billion, she also strongly cautioned them to avoid just replacing state dollars with TANF dollars in their budgets for other than programs benefiting the poor. "Supplantation, of course, is perfectly legal under the TANF statute," she warned, but "if the savings from supplanted federal funds are used for purposes other than those specified in the TANF legislation, Congress will react by assuming that we have provided states with too much money."[63]

Winners and Losers from Welfare Reform

The Winners. The 1996 welfare reforms were a boon to some and a disaster to others. The big winners include former President Clinton and all the governors. President Clinton was able to claim a bipartisan policy success and to take credit for the widely popular reform of an almost universally unpopular program. In addition, by passing both the authority and the responsibility for cash assistance to the states, he and probably all future presidents would also be able to pass any criticisms of the program along to the states. In addition and paradoxically, Democratic candidates and Democratic elected officeholders in Congress no longer have "welfare" as an albatross that they must defend.

The governors benefited from the reforms in that they gained a huge amount of federal money that they have been able to spend largely at their discretion. Although the practice is frowned upon by Congress, in reality many governors through creative accounting have used TANF money to pay for existing state programs, thereby freeing parts of the state budget for tax cuts and other uses popular with the voting public. In addition, states now have much greater leeway than before to increase or decrease benefits and to manipulate eligibility standards, time limits, and work requirements—within the federally

[61] See *the 2000 Green Book*, tabs. 7–14.

[62] Letter from Nancy Johnson to governors, 16 March 1999 (www.fiscalpolicy.org/johnson99.htm), 26 July 2001.

[63] Letter from Nancy Johnson to governors, 15 March 2000 (*www.mncn.org/bp/johnson.htm*), 26 July 2001.

mandated maximum time limits—to their liking. This boon to governors may prove to be short-lived. As the business cycle turned down in 2001 and TANF time limits run out, it is state budgets that will likely have to pick up the tab for the continued provision of basic necessities to America's poorest citizens if Congress decides to reduce the size of TANF block grants in order to have money to spend elsewhere.

The final category of winners from the 1996 welfare reforms are those former welfare recipients who have, through necessity and better support systems, been able to get and hold jobs that provide them with greater financial and family stability than life on welfare did. Unfortunately, no data are currently available as to what percentage of 1996 welfare recipients this group might be. It is probably more than one million but fewer than the 2.3 million adult recipients who left the cash assistance rolls and fell into this category of putative winners. But even if a welfare leaver with one child could find a job at the minimum wage and work 40 hours a week for 52 weeks, his/her total earnings would be $10,712 and, therefore, below the poverty level of $11,869 for a household unit of an under 65 adult with one child.

The Losers. Those who have clearly lost ground are former and current cash assistance recipients who have not been able to get jobs, so that on net they are not as well off as they were under AFDC. This category includes those who have not received the vital services of job training and child care, those for whom the loss of cash assistance has brought homelessness due to an inability to pay the rent, those who are working at wages too low to provide basic necessities, those who have improperly lost access to Food Stamps and Medicaid, and those with multiple and severe barriers to employment and self-sufficiency who realistically will never make it on their own. Some of the mothers whose families were rendered homeless have also had their young children taken from them against their will and had them put in foster care.

In a way, it may turn out helpful that the debate over TANF reauthorization in the year 2002 will take place during a downward turn in the economy, when the number of needy poor people will be increasing. Perhaps now that the concepts of PRWORA and TANF have been generally accepted, congressional debate will include ways to increase PRWORA's ability to function not just as reducer of cash assistance rolls but as a meaningful safety net for those who are honestly seeking better than low-wage jobs so that they can eventually make it on their own.

Reauthorization Politics

Five years after the passage of the PRWORA, almost everyone including both the Republican and Democratic presidential candidates in their 2000 campaigns has been touting it as a success. This is so even though it has gone some way—not only with respect to cash payments but also with respect to Medicaid and Food Stamps—toward dismantling the federal safety net for the poor. While there has always been wide variation among the states in the size of welfare payments given, now this wide variation extends also to the kind of job training and child support services to help cash assistance recipients leave the rolls. This variation among the states provides an example of the potential dangers of the devolution of federal funds into block grants to states and the end of the federal guarantee to support and aid America's poor. But the poor are least employable, lacking in skills, and in need of support the most. Yet this is the exact group of people most forgotten by PRWORA, which lacks legal mandates to each state to provide job training, job placement, and, perhaps most important, public service jobs or government subsidized private jobs when adequate employment is not otherwise available.

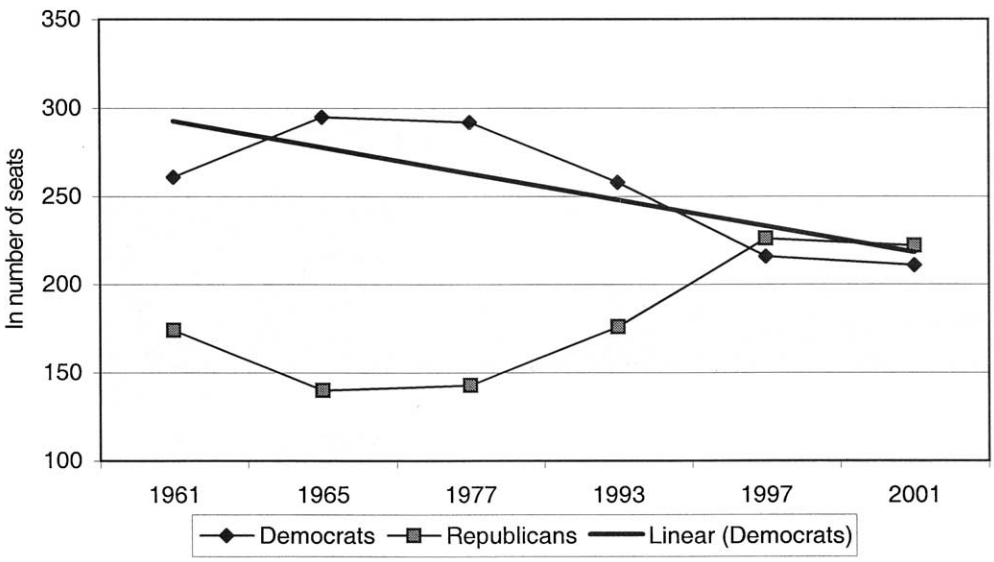
So the question during reauthorization in 2002 will be to what extent will Congress be willing to fix shortcomings that have been noted in the 1996 versions. More specifically, can the programs be redesigned so that in addition to reducing the cash assistance rolls, they also provide the supports needed to raise both welfare leavers and those still receiving cash assistance out of poverty? Part of the answer to these questions lies in three political trends: the decline in the number of Democrats in the House and Senate; the shift to the center of many remaining Democrats (exemplified most notably by Bill Clinton running under the banner of a "New Democrat"); and the increased cohesiveness of the Republican party.

Decline in the number of Democrats in Congress. The decline in the number of Democrats (see Figure 4) in Congress is important because historically it has been the Democrats (minus some deviant southern Democrats[64]) who have supported the federal government's programs designed to aid poor individuals and local governments; the Republicans (with deviance sometimes by the northeasterners) have not.[65] Between 1935 and 1976, with programs such as the Social Security Act of 1935, the Public Housing Act of 1937, the Food Stamps Act and the Economic Opportunity Act of 1964, the Housing and Urban Development Act of 1965, the Elementary and Secondary Education Act and the Public Works and Economic Development Act of 1965, the Economic Opportunity Act Amendments of 1966, the Comprehensive Training Act of 1973, the Legal Services Corporation and the Housing and Community Development Act of 1974, the New York Seasonal Financing Act of 1975 and the

[64] Following *Congressional Quarterly's* categorization, Southern Democrats are those elected in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia. For this comparison, Northern Democrats are those representing the other thirty-seven states.

[65] See Demetrios Caraley, "Congressional Politics and Urban Aid," *Political Science Quarterly* 91 (Spring 1976): 19–45; Caraley, "Congressional Politics and Urban Aid: A 1978 Postscript," *Political Science Quarterly* 93 (Fall 1978): 411–18; and Caraley, "Congress and Reagan's New Federalism," (with Yvette Schlussel), *Publius: The Journal of Federalism* 16 (Winter 1986): 49–79.

FIGURE 4
Long-Term Decline of Democratic Representation in the House of Representatives, and in Electoral Votes, 1961–2001.



Source: Congressional Quarterly Yearbooks and Statistical Abstract of the United States.

Public Works Jobs of 1976, a majority of House Republicans voted to recommit or voted against final passage in each case. In the Senate the uniformity was not that completely solid: a majority of the Senate Republicans voted in favor of final passage on about half the programs including the Social Security Act of 1935. (See Figures 5 and 6.)

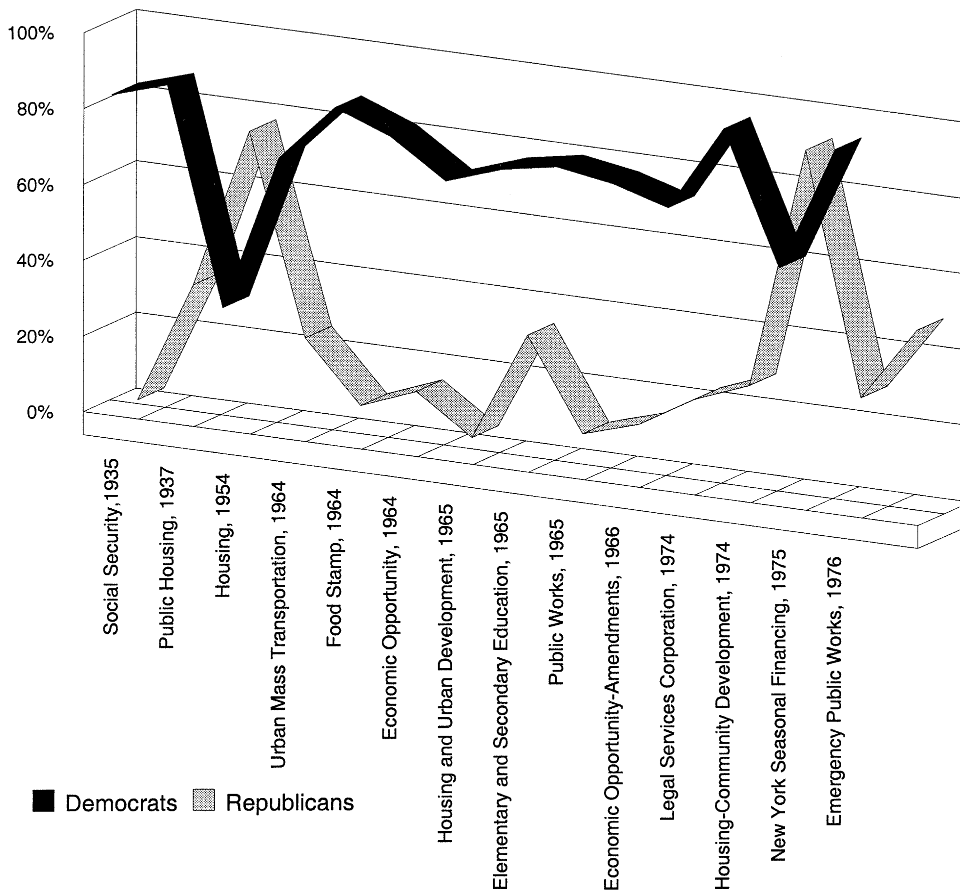
The enactment of major new programs for the poor almost always took place when there was a Democratic president in the White House and large Democratic majorities in the House and Senate. The Democratic majorities had to be large so that even with the deviance of many southern and some mountain state Democrats, the Democratic leadership could still muster majorities for votes on the floor.

Some of this decline in Democratic representation in Congress can be attributed to the dynamics of particular candidacies, but a larger part comes from the changing demographics of the nation. In 1999, only 27 percent of all Americans lived in central cities of fifty-thousand people or larger. A full 50 percent of Americans lived in the outside central city or suburban portions of metropolitan areas; and 18 percent lived outside metropolitan areas entirely. Furthermore, the percentage of the politically and economically dominant white population that lived in central cities in 1999 was even lower—21 percent—meaning that 79 percent lived in suburbs and rural areas.[66]

[66] U.S. Census Bureau, "Poverty in the United States," 1999.

FIGURE 5

Percentage of Representatives Voting in Favor of Selected Safety-Net Programs by Party, 1935–1976.



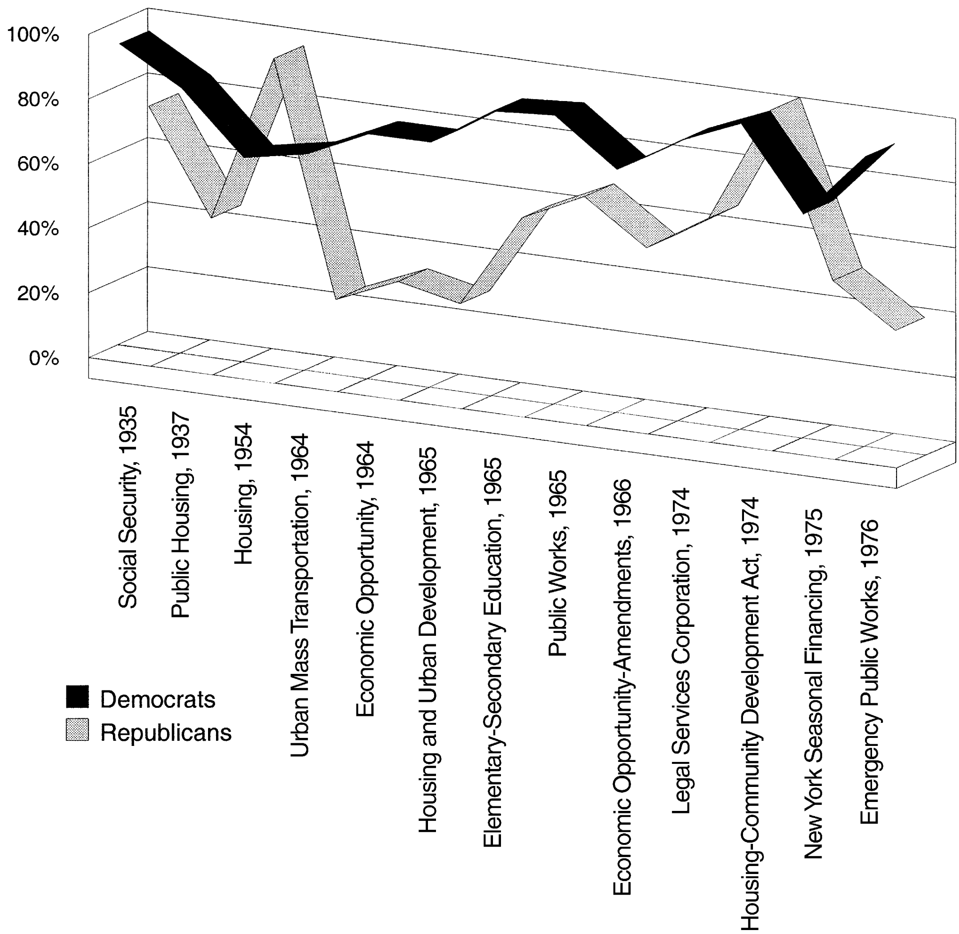
Source: Calculated from the *Congressional Record* and *Congressional Roll Call Yearbooks* (Washington, DC: Congressional Quarterly, Inc.).

The decline in the proportion of the population living in large cities has resulted in a steadily decreasing number of Democratic members in the House of Representatives who represent central city districts and therefore would have constituency interests, ideology, and party tradition all motivating them to support federal aid programs. As recently as 1982, 105 (24 percent) districts were predominantly central city, while 125 (29 percent) were predominantly suburban, 132 (30 percent) rural, and 73 (17 percent) mixed.[67] As a result of the 1990 census and the required decennial reapportionment, the Clinton Con-

[67] Demetrios Caraley, "Carter, Congress, and the Cities" in Dale Rogers Marshall, ed., *Urban Policy Making* (Beverly Hills, CA: Sage Publications, 1979).

FIGURE 6

Percentage of Senators Voting for Safety-Net Programs by Party, 1935–1976.



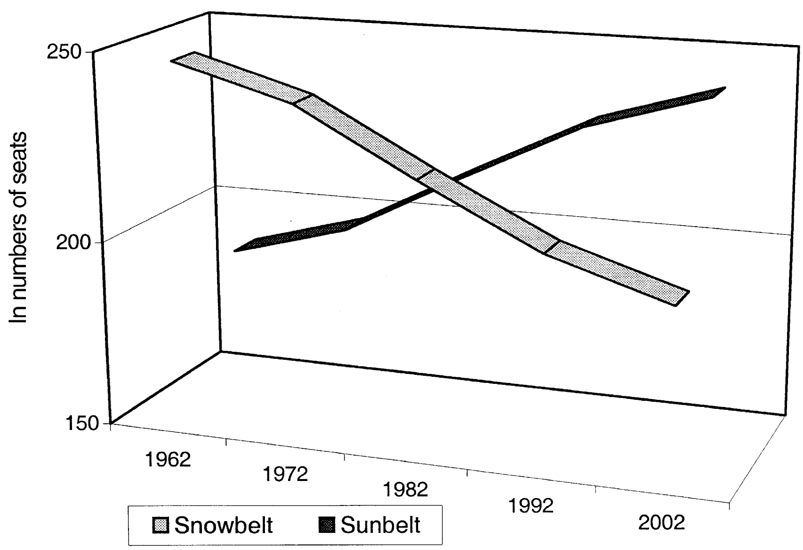
Source: Calculated from the *Congressional Record* and *Congressional Roll Call Yearbooks* (Washington, DC: Congressional Quarterly, Inc.).

gresses had a still smaller number of members from central cities (82), not much more than rural representation (76), and a larger number of representatives from the suburbs (212), with the rest mixed.

Residents of the suburbs as a general rule care less about a number of urban programs than city dwellers do. A 1996 CNN exit poll indicated that the economy, medical care, and crime reduction were priorities for residents of cities of 500,000 and above, while education, tax decreases, and deficit reduction were priorities for suburbanites.[68] It is around this latter set of issues that many bat-

[68] 1996 CNN exit poll (www.cnn.com), 28 May 2001.

FIGURE 7
Decline in Snowbelt House Seats and Electoral Votes, 1962–2002.



Source: Congressional Quarterly Yearbooks. As defined by the Congressional Quarterly, the Snowbelt includes the Midwest and the East, the Sunbelt includes the South and the West.

tles during the 1996 and 2000 presidential and congressional elections were fought.

Beyond this exodus to the suburbs, there has also been a nationwide movement from the traditionally less conservative—in terms of supporting federal aid to the poor and to local governments—snowbelt of the East and Midwest to the more conservative West (with the exception of the Pacific coastal states) and Southern sunbelt. Between 1962 and 2002, this has resulted in a decrease in the number of representatives (and therefore also a decrease of electoral votes) from the East and Midwest by 27 and 25 seats and an increase for the South and West of 23 and 29 respectively.[69] (See Figure 7.) Because the Senate is never reapportioned, it is more difficult to nail down the impact of present population trends. However, senators in general, and even Democratic senators, inevitably recognize the increasingly suburban character of their overall constituencies.

The New Democrats' Shift to the Center

In response to the desertion of white, middle-class voters from the Democratic party's candidates during the presidential campaigns of the 1980s, many Demo-

[69] Calculated from the U.S. Census Bureau, Congressional Apportionment Homepage (www.census.gov/population/www/censusdata/apportionment.html), 23 May 2001.

cratic party leaders by 1992 had come to embrace both the more moderate political ideology and the rising stars of the Democratic Leadership Council (DLC). Bill Clinton was chair of the group when he ran for president in 1992, and Al Gore was a member as was 2000 vice presidential candidate Joe Lieberman. The DLC was an unofficial party organization formed in 1985 with the goal of influencing the national party, specifically to make it more appealing to mainstream voters. The DLC argued that the Democratic party as a whole had gained a reputation for extreme liberalism and therefore could not win the presidency.

While many Democrats and even some members of the DLC were still in fact voting like liberals, political scientist John F. Hale argues that, "as elected officials, most [liberal DLC members] saw the wisdom in discussing ways to make party positions more palatable to mainstream voters and in making themselves look more moderate in the eyes of their constituents."[70] He believes that the DLC's achievement, crowned by chair Bill Clinton wresting the presidency back from twelve years of Republican domination in the 1992 election, was the creation of "a liberal-leaning platform couched in soothing centrist rhetoric for a party that has been unable to do so and one that [had] considerable potential appeal to much of the party's political base."[71] More recently, victories in the November 2000 congressional elections by self-described moderates helped the Democrats to pick up four seats in the Senate, which increased their membership to fifty, as well as three in the House.[72] The New Democratic coalition sees these results as a validation of its centrist platform that includes targeted tax cuts and entitlement overhaul.

Not the whole Democratic party is a part of this centrist trend. A large group of Democrats was not pleased with Clinton's welfare reform plan, and only a minority of Democrats outside the South voted for final passage of PRWORA or for the conference report in either chamber. The senators who voted against PRWORA are shown in Table 1. But after Clinton signed the bill into law, Americans started to view the two major parties equally qualified to reform the welfare system. In keeping with the idea that welfare is a different thing from helping the poor, surveys also indicate that Americans believe that the Democrats care significantly more about the disadvantaged and can be better trusted to help the poor.[73]

The centerward shift of much of the Democratic party has been in large part an attempt to please voter opinion as measured in polls and past election

[70] Jon F. Hale, "The Making of the New Democrats," *Political Science Quarterly* 110 (Summer 1995): 216.

[71] Ibid., 224.

[72] 106th Congress, SENATE: 45 Democrats, 55 Republicans; HOUSE: 211 Democrats, 223 Republicans, and 1 independent. 107th Congress: SENATE 50 Democrats, 49 Republicans, 1 Independent; HOUSE: 212 Democrats, 221 Republicans, 2 Independents.

[73] See Robert Y. Shapiro and John T. Young, "Public Opinion and the Welfare State: The United States in Comparative Perspective," *Political Science Quarterly* 104 (Spring 1989).

TABLE 1

*Senators Voting Against the Final Passage of PRWORA**

Akaka, Daniel K., D-HI	Glenn, John, D-OH	Moynihan, D. Patrick, D-NY
Bingaman, Jesse, D-NM	Graham, Daniel, D-FL	Murray, Patty, D-WA
Boxer, Barbara, D-CA	Kennedy, Edward, D-MA	Pell, Clairbone, D-RI
Bradley, William, D-NJ	Kerrey, J. Robert, D-NE	Pryor, David, D-AR
Bumpers, Dale, D-AR	Lautenberg, Frank, D-NJ	Sarbanes, Paul, D-MD
Daschle, Thomas, D-SD	Leahy, Patrick, D-VT	Simon, Paul, D-IL
Dodd, Christopher, D-CT	Mikulski, Barbara, D-MD	Wellstone, Paul, D-MN
Feinstein, Dianne, D-CA	Moseley-Braun, Carol, D-IL	

* In addition, there were 165 Democrats in the House who voted against final passage of the PRWORA. These roll call votes are available on-line at www.clerkweb.house.gov.

results. In polls, Americans have historically supported federal spending on health and education, especially with regard to poor children, but cash assistance programs for the poor have been the least supported form of social welfare.[74] Even before 1995, the word "welfare" suggested dependence, fraud, "playing" the system, laziness, and overblown bureaucracy; to many it brought to mind the conservative image of the perpetual welfare mom, continually having more children to increase her benefits. For these reasons, Clinton clearly felt compelled to enact "welfare reform" despite his party's historic interest in protecting the poor in general and AFDC in particular and despite the fact that much of the nonsouthern, more liberal wing of the congressional Democrats voted against the final compromise.

Increased Conservative Solidarity

The Republican party has historically been reluctant to support federal aid to poor central cities or to poor individuals. Indeed, even during the depths of the Depression, in a procedural vote a large majority of Republicans tried to kill the original Social Security Act of 1935, which set up the system of benefits for retirees and AFDC.[75] Also, in the time stretch of 1935 to 1976, majorities of Republicans in the House of Representatives opposed these programs to help the poor in every single case. The Republican senators were less single-minded and opposed somewhat more than half of the programs. Nevertheless, before the 104th (1995–1996) Congress, the Republican party was more heterogeneous in its voting, as some northeastern Republicans were likely to take a more liberal stance on aid to cities and the poor and to vote with a majority of Democrats. This was especially true for the Senate. In President Jimmy Carter's first

[74] Kent Weaver, *Ending Welfare As We Know It* (Washington, DC: Brookings Institution Press, 2000), 24–25. See also Shapiro and Young. "Public Opinion and the Welfare State."

[75] See 1935 Social Security Act: HR 7620. House: recommit—failed 149–253: D 46–252 (N 39–151, S 7–101), R 94–1; bill—passed 372–33, D 289–13 (N 187–6, S 102–107), R 76–18. Senate: bill—passed 75–7, D 60–1 (N 39–1, S 21–0), R 15–5. For a detailed discussion of this topic, see Demetrios Caraley, "Congressional Politics and Urban Aid," *Political Science Quarterly* 91 (Spring 1976).

Congress (1977–1978), for example, Republican senators from the northeast voted for safety net items and other aids to poor people and poor city governments more reliably than even the average for all Democratic senators. This group of Republicans included Lowell P. Weicker (CT), Henry J. Heinz III (PA), Edward W. Brooke (MA), Clifford P. Case (NJ), and Jacob K. Javits (NY), all of whom voted to support safety net programs 90 to 98 percent of the time.[76]

The 104th Congress saw, however, a marked solidification of the Republican party around antisafety-net ideology, and party line voting became the norm. Congressional Republicans generally took an antisafety-net stance between 1995 and 1996, with both the House and Senate Republicans demonstrating an extremely high degree of party solidarity in opposition to federal safety net programs.[77]

Any Hope for America's Poor?

Unlike AFDC, which was authorized on a continuing basis, PRWORA and TANF were authorized for six years and will expire at the end of fiscal year 2002. This means that before 30 September 2002, another debate will take place in Congress about how, if at all, to change the law in its next authorization.

Political Environment for Further Reform

Since there will be no intervening elections between the end of the year 2001 and the end of fiscal 2002, the distribution of party control in Washington will be unchanged from 2001 when TANF cash assistance is undergoing reauthorization: a conservative Republican president in the White House, Republican

[76] Unpublished data collected by the author.

[77] With the exception of Senators James M. Jeffords (VT, now Independent) and Lincoln Chafee (RI), and less often Olympia Snowe (ME) who sometimes vote with the Democrats. They, however, are offset by several Democrats like John Breaux (LA) and Robert Byrd (WV) who also cross party lines and vote with the Republicans. For data that this solidarity on safety net items continued, see relevant votes in Congressional Roll Call, 1997–1999. For example, amendments to allow states to continue noncash/voucher benefits to children whose parents had reached lifetime limits were brought to the floor many times in both the House and Senate and were rejected each time, largely along party lines.

SENATE: 1996 roll call vote 205 on S1956, an amendment to provide vouchers to children whose parents had reached lifetime limits, rejected 51–47 [R 6–47; D 45–0]. Roll call vote 223 on S1956, an amendment to provide noncash assistance to children whose parents had reached lifetime limits, rejected 48–51 [R 2–50, D 46–1 (ND 37–0, SD 9–1)].

HOUSE: 1996 roll call vote 329 on HR 3734, amendment to require states to provide vouchers to children whose parents had reached lifetime limits, rejected 168–258 [R 9–221, D 159–36 (ND 110–28, SD 49–8)]. Roll call vote 330 on HR 3734, amendment to recommit the bill to committee with instructions to allow states to provide noncash vouchers to children whose parents had reached lifetime limits, rejected 203–220 [R 7–220, D 195–0].

control of the House by a very slim majority, and a one-vote Democratic control of the Senate.

What we know of President Bush's position on safety net policy is vague, but his central or organizing ideology is clear: he is interested in increasing the role of religious and nonprofit groups in providing services, and he has a generally conservative stance against government, especially the federal government, providing for the poor. In one of his first statements on poverty policy since taking office, he praised former President Clinton for signing PRWORA and argued that the American people, not the government, needed to take the principal responsibility for helping the poor.[78] The Bush administration also put through a large, regressive tax cut in 2001, which—like the Reagan tax cut in 1981—started to starve the federal government.[79] This cut, together with the weakening economy in 2001, produced decreased revenues that threatened the Clinton administration's twin accomplishments of balancing the budget and then running annual surpluses. But it also insures that the Bush administration and congressional Republicans would probably fight against new spending for almost all domestic programs, including those for the poor, and would probably propose spending cuts in order to meet congressional budget caps so that the budget could still be balanced or the projected deficits made as small as possible.

In addition to Bush's ideological stance on the role of the federal government in fighting poverty, the political reality is that he was brought to power and can presumably stay in power without any support from voters in central cities, whose residents are most likely to benefit from safety net programs. Bush lost to Gore in many big cities by very large margins, yet Bush still carried many of those states. Bush won Ohio's twenty-one electoral votes, despite Gore having won the large cities of Cleveland and Columbus, with 79 and 55 percent of the vote, respectively; Gore won 73 percent in Kansas City, Missouri, but lost the state; Gore also won 68 percent of the vote in Milwaukee, Wisconsin, but carried the state by fewer than 6,000 votes; finally, in Denver Gore won 62 percent of the vote, but Bush easily won the state. This evidence of the declining political influence of voters in large cities shows that Bush does not have to do anything positive for the urban poor or their allies in order to stay in office.

Much of the 2002 debate over reauthorization will take place in a Congress where neither Republicans nor Democrats have overwhelming power to significantly change the law, because they are so evenly divided in numbers. Republicans have an upper hand, because even if Congress were to pass some liberalizing version of PRWORA, they now have a conservative Republican president who almost certainly would veto such changes. But Health and Human Services Secretary Tommy Thompson, whose department has responsibil-

[78] See Frank Bruni, "Bush Pushes Private Sector Role in Aiding Poor," *New York Times*, 21 May 2001.

[79] For a prediction that such a tax cut would occur and the safety net not be strengthened if budget surpluses materialized, see Caraley "Dismantling the Federal Safety Net," 256–8.

ity for the federal role in TANF, will also have strongly felt views of his own to present to President Bush and to Congress. As governor of Wisconsin, Thompson was a leader in changing welfare provisions through waivers from the Department of Health and Human Services (HHS) even before TANF became law, concentrating on helping the poor get away from welfare by spending large sums for job training and child care. He was fond of saying that to succeed in weaning families from welfare, there was need for more, not less, spending in the near term in order to save money over the long run; and he might continue to express what by now has proved to be a truism.

Furthermore, state governors are content with their increased political power, and the general public seems happy with the status quo, as welfare and poverty as problems seem to have slipped from the public discourse.[80] For all of the above reasons, there may not be much pressure for significant change, except perhaps to decrease overall funding, since the cash assistance population is currently much smaller than it was at the first authorization in 1996. The weakening of the economy in 2001 is a double-edged sword: it can be used by the Democrats to argue that more people are going to need help, but it can also be used by the Republicans to argue that with a decrease in revenues caused by the sluggish economy and the 2001 tax cut, the federal government cannot afford it.

Proposals for Further Reform

Working within these political constraints, there are still some ways by which TANF and PRWORA could be reauthorized to provide fairer and more consistent coverage to poor individuals and a greater incentive and ability to find quality jobs:

Congress should not decrease funding levels because of the experience of the first five years of TANF and PRWORA. Those five years had a booming economy and very few TANF recipients who had hit their five-year time limits. Members of the Congress may want to lower the funding levels because the number of people receiving cash assistance dropped significantly after 1996. Governors, especially Republicans, are likely to oppose funding cuts. Some Democratic governors will want more funding to be mandated for child care and job training.

Time limits. Receiving limited cash assistance while working during a month should not count as equal to receiving a full monthly cash assistance payment while not working at all. As the law is now, even though some states

[80] CNN's November 2000 exit polls failed to include questions on poverty or welfare. When participants were asked what they thought should be done with the federal surplus, they were provided with only three conservative responses: social security (35 percent); tax cut (28 percent); and debt reduction (24 percent).

allow TANF recipients to supplement employment earnings with partial cash assistance, the number of months they receive such partial assistance counts against the lifetime time limit. Moreover, in Connecticut starting in 2001, the state counted even a single day on cash assistance as one month toward the time limits.

Work requirements/programs. There should be public service jobs or subsidized private-sector jobs available so that every recipient who wants to leave cash assistance should be able to work. The current law mandates that 40 percent of all TANF recipient families and 90 percent of two-parent TANF recipient families in each state work, and by 2002 these requirements will rise to 50 percent and 100 percent, respectively.[81] The original 1994 Clinton plan for welfare reform was in some aspects like time limits, more stringent than what was later enacted in 1996. But it did promise that if there were no private jobs for the welfare leavers, some level of government would create them.

Education and training. Job training and job retention training should be made mandatory for all states, and the time spent in job training should not count fully toward time limits. Career mentoring programs are also needed to help mothers retain jobs, as current retention rates are not good. This may require better child care support, because jobs often are lost when mothers have to leave work to care for children.

Child care. The Child Care and Development Block Grant (CCDBG) created in 1996 with $4.5 billion available during the period 1997–2001 should be reauthorized and its funding increased. States spent all of this CCDBG money and an additional $3 billion from TANF funds on child care. A Department of Health and Human Services study finds that at this level of CCDBG funding, only 12 percent of eligible children can be served.[82] PRWORA left great discretion for child care to the states. But the experience of the past five years shows that there should be federal mandates and regulations about the availability and quality of child care.

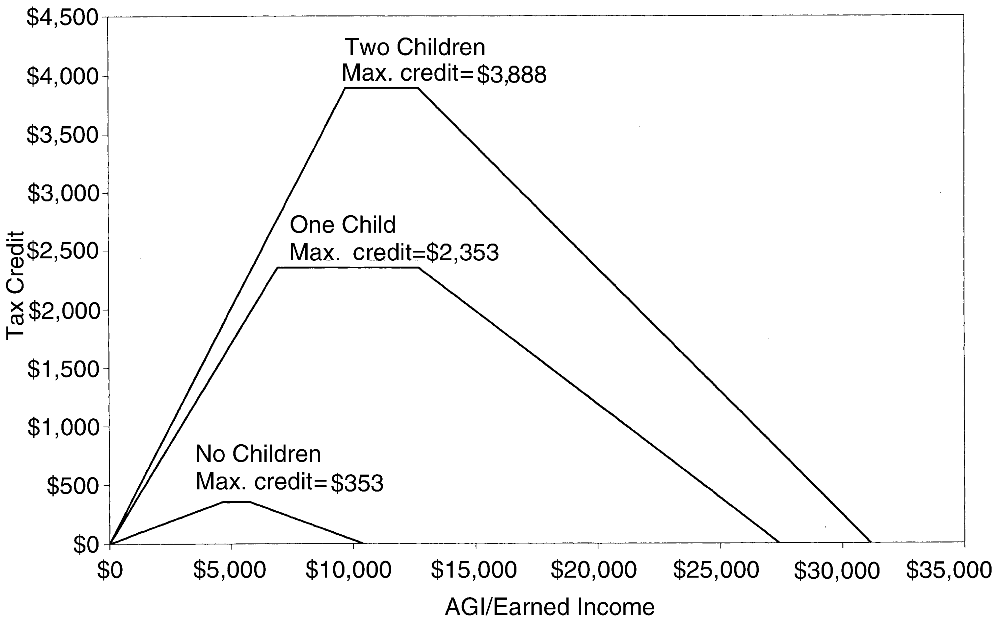
Medicaid and Food Stamps. States should be mandated to have applications for TANF also include provisions for applying at the same time for Medicaid and Food Stamps. Also, cash recipients leaving the rolls should be fully informed of their possible continued eligibility for Food Stamps and Medicaid.

Earned income tax credit. The earned income tax credit should be increased so that workers working full time and earning minimum wage do not

[81] *2000 Green Book*, 356.

[82] Ron Haskins, Isabel Sawhill, and Kent Weaver, "Welfare Reform Reauthorization: An Overview of Problems and Issues" (Washington, DC: The Brookings Institution, Welfare Reform and Beyond Brief #1, January 2001).

FIGURE 8
Earned Income Tax Credit, 2000.



Source: Urban Institute calculations from data from the Joint Committee on Taxation, as reported in "The Earned Income Tax Credit: Knowledge is Money" by Katherin Ross Phillips in *Political Science Quarterly* 116 (Fall 2001).

have to stay below the poverty level. The EITC was enacted in 1975 during the Republican Ford administration and with a heavily Democratic Congress as a way to give back to the working poor a part of the payroll taxes they had been paying for Social Security and Medicare.[83] The reasoning was that whereas their income was too low for regular income taxes, the working poor were paying Social Security and Medicare payroll taxes from the first dollar they earned. By essentially giving back those payroll taxes, EITC was seen as removing a disincentive to leave AFDC and go to work. Since its creation, EITC has been significantly increased on a regular basis in every presidential administration since its establishment, leading to more of the working poor being eligible (see Figure 8) and outlays increased more than any safety-net program except Medicare. Given the historic bipartisan support for this program, Democrats with moderate Republicans could once again raise the maximum credit as a politically defensible means of helping both the welfare leavers and the working poor to get out of poverty. And there is a great psychological advantage in having a subsidy come not from a welfare office but from IRS.

[83] *2000 Green Book*, 808–812 .

Housing. Reauthorization of PRWORA and TANF should deal with homelessness and provide for low-income housing. The housing issue did not become part of the 1996 welfare debates, but outlays for housing assistance actually decreased between 1996 and 2000. (See Figure 3.) But because many poor families no longer receive cash assistance and do not have jobs at sufficient salaries, they do not have enough money with which to pay rent. Some become homeless, and some homeless single mothers also have their small children taken away and placed in foster care. Moreover, the education of these children is seriously compromised. In many states, children who don't have a fixed residence are not allowed to register for school, and moving from one homeless locale to another also prevents children from getting a normal education. Because adequate shelter is absolutely necessary to hold jobs, housing vouchers and other forms of subsidized housing should come up as part of the 2002 reauthorization.[84]

Recession planning. A countercyclical formula should be built into PRWORA and TANF funding so that in times of recession, funding levels automatically increase and in boom times, decrease. There should be a baseline for the size of the block grant authorized and, in addition, a formula that would increase or decrease it according to a state's unemployment rate so as to provide a countercyclical effect.

To sum up, "welfare reform" has cut the cash assistance rolls by millions and driven many welfare recipients who had good job skills and job prospects to use them. Given the nature of its funding as block grants, it has not saved the federal government any cash assistance money. But in any event, federal outlays for cash assistance for the twenty years before 1996 were rising slowly, at about 2 percent a year in constant dollars.[85] The only substantial drop in outlays since 1996 has been for Food Stamps, and the weight of opinion is that the drop has been less the result of a contraction of need and more of greater difficulties in applying, including ignorance that noncash assistance recipients are still eligible. The job training and job retaining supports for mainly single mothers with children have varied greatly state by state. As the economy softened, as TANF surpluses have been used up, and as the "true," meaning the very high, costs of providing effective support services for untrained single mothers with small children have become clear, even progressive states like Wisconsin, Minnesota, and Connecticut have ratcheted down their spending on such services.

The Poor and James Madison's Tyranny of the Majority

The problem of "welfare as we know it" was never primarily that of large numbers of undeserving poor adults who could easily have gotten jobs and sup-

[84] See *Homeless in America: A Children's Story, Part One* (New York: The Institute for Children and Poverty, 1999).

[85] See Caraley, "Dismantling the Federal Safety Net," fig. 6.

ported themselves but who refused to do so and were siphoning off huge amounts of budgetary resources. One piece of hard evidence is that a majority of recipients has always been children. The welfare problem was and is that of single mothers who have limited job skills. Thus however hard they try, they cannot provide food, medical care, and shelter for themselves and their families with the low wages they earn. While it would be greatly preferable if no one had children without having the means to support them, once such children are born in the richest society in the world, there is no moral reason for the children being forced to live a life of destitution.

This article does not supply an optimistic outlook for the poor, but it does reflect the political reality they face. That the poor should be only a minority—though a sizable minority of some 32 million people or 11.8 percent of the population—would be a surprise to James Madison, who was worrying in *The Federalist*, No. 10, about tyranny by a majority faction of the poor forming against a minority of the wealthy and, therefore, about the wealthy being exploited by the poor. Madison could not have conceived of the present situation where any "tyranny" is one of an insensitive majority that ignores the problems of the poor or finds them undeserving or just practices optimistic denial that there is any need for having a government safety net.

If a democracy is to remain stable in the long run, the majority must be humane and foresighted enough to see that it is in its own interest to take care of minorities who have severe problems and who, because of those problems and lack of numbers, will never have the political strength to impose their own policy solutions. The majority also needs to recognize that when the problems specifically concern poor single mothers with children, the lack of a safety net with good quality job training, child care, medical care, education, and jobs, then the problems of these mothers and children will be transmitted from generation to generation indefinitely.*

* This article was finished just before the catastrophic events of 11 September 2001. Obviously, the political and budgetary dynamics discussed earlier will surely change in ways that cannot yet be known.

I thank Genevieve Melford, Dana Hepper and Elena Rigacci Hay for their excellent research assistance. I also thank Vilma M. Caraley, Ralph Nunez, Richard Pious, Robert Y. Shapiro, and John J. Smee for reading and commenting on various drafts of this article, although as is usual, I did not accept all of their suggestions.

APPENDIX

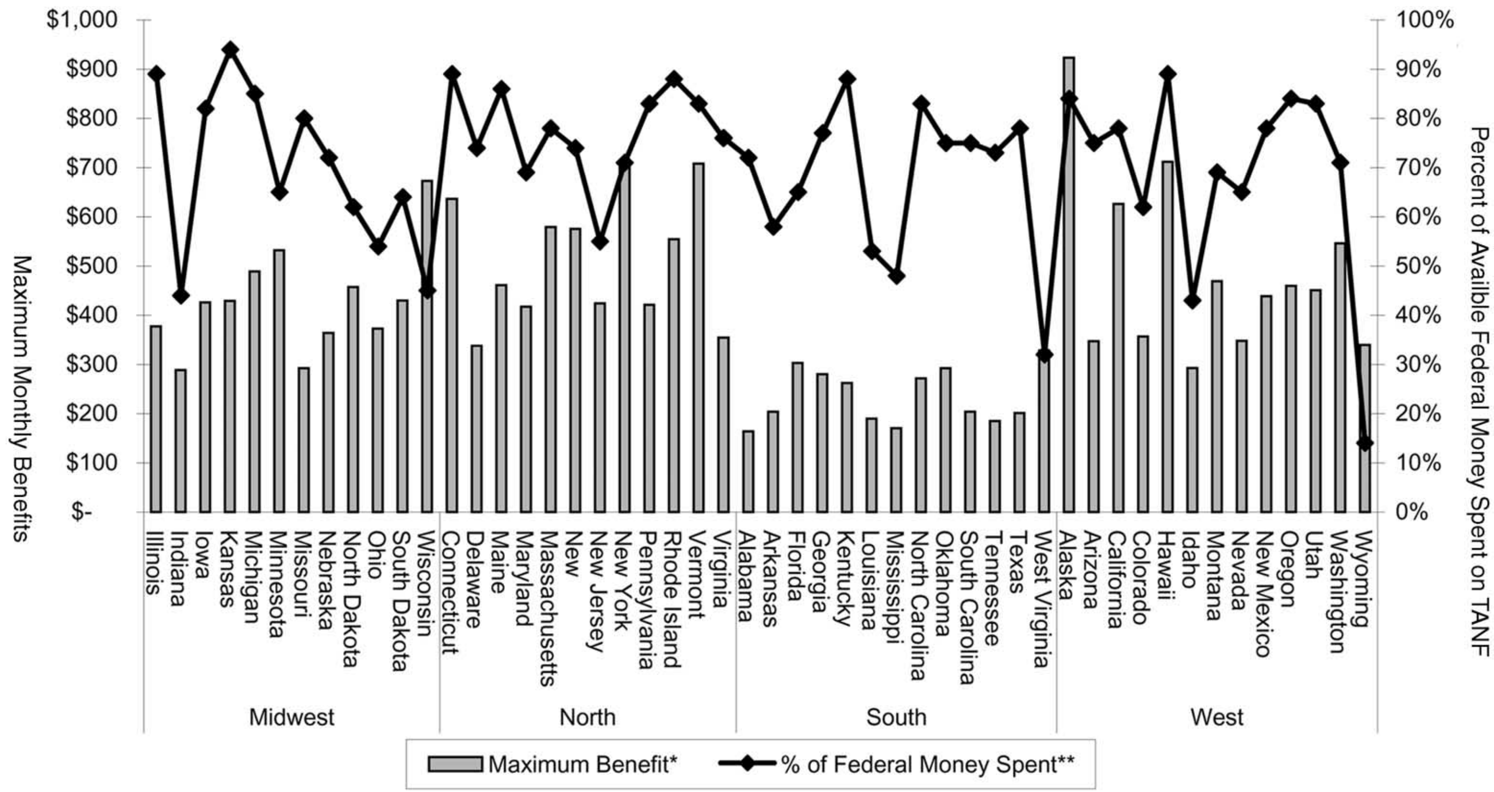
TABLE 1

Total TANF Recipients by State

State	August 1996	June 2000	Total Difference	# Families Working, 1998	Percent Difference 96-00
Alabama	100,662	55,168	−45,494	3,674	−45%
Alaska	35,544	24,389	−11,155	3,465	−31%
Arizona	169,442	82,851	−86,591	7,278	−51%
Arkansas	56,343	28,113	−28,230	1,384	−50%
California	2,581,948	1,272,468	−1,309,480	179,953	−51%
Colorado	95,788	27,699	−68,089	3,608	−71%
Connecticut	159,246	63,589	−95,657	15,439	−60%
Delaware	23,654	17,262	−6,392	924	−27%
Dist. of Columbia	69,292	44,487	−24,805	3,685	−36%
Florida	533,801	135,903	−397,898	19,854	−75%
Georgia	330,302	135,381	−194,921	13,271	−59%
Hawaii	66,482	42,824	−23,658	3,449	−36%
Idaho	21,780	1,382	−20,398	284	−94%
Illinois	642,644	259,242	−383,402	45,747	−60%
Indiana	142,604	96,854	−45,750	9,262	−32%
Iowa	86,146	52,293	−33,853	10,585	−39%
Kansas	63,783	36,557	−27,226	3,222	−43%
Kentucky	172,193	85,696	−86,497	12,931	−50%
Louisiana	228,115	79,745	−148,370	8,754	−65%
Maine	53,873	14,813	−39,060	5,068	−73%
Maryland	194,127	70,910	−123,217	3,947	−63%
Massachusetts	226,030	93,890	−132,140	12,479	−58%
Michigan	502,354	195,101	−307,253	43,470	−61%
Minnesota	169,744	116,589	−53,155	11,296	−31%
Mississippi	123,828	33,781	−90,047	3,018	−73%
Missouri	222,820	122,930	−99,890	6,521	−45%
Montana	29,130	14,001	−15,129	3,417	−52%
Nebraska	38,592	26,841	−11,751	3,218	−30%
Nevada	34,261	16,478	−17,783	1,810	−52%
New Hampshire	22,937	13,862	−9,075	1,188	−40%
New Jersey	275,637	125,258	−150,379	1,426	−55%
New Mexico	99,661	67,950	−31,711	2,801	−32%
New York	1,143,962	693,012	−450,950	83,781	−39%
North Carolina	267,326	97,171	−170,155	5,297	−64%
North Dakota	13,146	7,734	−5,412	550	−41%
Ohio	549,312	238,351	−310,961	42,023	−57%
Oklahoma	96,301	13,606	−82,595	5,425	−86%
Oregon	78,419	42,374	−36,045	1,479	−46%
Pennsylvania	531,059	232,976	−298,083	17,735	−56%
Rhode Island	56,560	44,826	−11,734	3,996	−21%
South Carolina	114,273	35,721	−78,552	5,067	−69%
South Dakota	15,896	6,702	−9,194	890	−58%
Tennessee	254,818	143,823	−110,995	11,698	−44%
Texas	649,018	343,464	−305,554	7,484	−47%
Utah	39,073	24,101	−14,972	3,654	−38%
Vermont	24,331	15,528	−8,803	1,702	−36%
Virginia	152,845	67,388	−85,457	8,218	−56%
Washington	268,927	146,375	−122,552	28,444	−46%
West Virginia	89,039	31,500	−57,539	4,756	−65%
Wisconsin	148,888	37,381	−111,507	7,473	−75%
Wyoming	11,398	1,103	−10,295	242	−90%
U.S. Total (excluding territories)	12,077,254	5,677,443	−6,399,811	686,342	−53%

Source: U.S. Department of Health & Human Services, Administration for Children and Families.

FIGURE 1
Maximum Benefits and Percent of Federal TANF Money Spent.



* Committee of Ways and Means, U.S. House of Representatives, *2000 Green Book*, Table 7-7. They are based on January 2000 benefit levels.
** U.S. Department of HHS, ACF table "Temporary Assistance to Needy Families (TANF) Program Total Federal Awards, Transfers and Expenditures. All FY's (97–99)." "Outlays to TANF Recipients" is the sum of state expenditures on cash and work based assistance, work activities, child care, transitional services, and "other" expenditures.