Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is the newest in a series of attempts to reform the United States welfare program that was developed during Franklin Delano Roosevelt's presidency. However, unlike the majority of laws that have been implemented to alter welfare, this new law does not work within the constraints of Aid to Families with Dependant Children. Instead, AFDC has been abolished under the new law, to be replaced with a workfare program titled Temporary Aid to Needy Families. The implementation of TANF dramatically changes the structure of welfare, as it requires people applying for welfare to participate in work in order to receive government aid. Both anticipation and apprehension accompany the new law, as it brings a new era of welfare into existence.

The question that arises as this new era begins, is whether welfare reform will affect welfare recipients in a positive or negative manner. Through a study of the early results of the Wisconsin Works program, the strengths and weaknesses of the welfare system as is exists under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are evident. Numerous alterations in the new law can address the specific weaknesses of the program, and the implementation of these modifications will create a welfare system which will be beneficial to the impoverished in the United States while at the same time decreasing the number of people that rely on the welfare system.

The Worthiness of Welfare

The establishment of welfare, primarily in the form of AFDC, in President Roosevelt's New Deal created the first publicly funded safety net in the United States. First established to provide for widows and their children, welfare was an entitlement created to allow women to be able to care for their children in an age when women were not expected to work and therefore had no opportunities to earn an income. Since the establishment of welfare, however, the situation of women in United States society has changed greatly. No longer is it unacceptable for women to work. In fact the majority of women do work, some by choice and some by necessity. Considering the changes that have occurred since the implementation of welfare, it would seem appropriate to alter the welfare system to reflect these societal changes.

In the past two decades, abolishment and more stringent rules of governing seem to be two of the most popular theories as to how to address the difficult question of what should be done about welfare. Rhetoric abounds as to the desire of the poor to subsist simply on welfare payments, never having to work again. "Welfare should be abolished so that those receiving it will be forced to go out and earn their own living instead of relying on other taxpayer's money," seems to be one of the most common views. Yet as popular as these opinions seem to be, there are those who contest this idea of demolishing the only social safety net existing in the United States. In fact, many political scientists believe that the manner in which the United States has constructed its safety net is what has caused its failure.

According to Earl Shorris, all modern societies have welfare in one form or another. Therefore, he declares, "arguments about eliminating it would seem. . . moot," (112). Shorris feels that the welfare debate is not one of how to best serve the poor, rather, "the struggle over welfare is symbolic for both liberal and conservatives, in their attempt to demonstrate their control," (113). By using welfare as a political tool, those on welfare are not allowed the opportunity to improve their plight, because those in power are not actually out to do what is in the best interests of the welfare recipients. Due to the political motives behind the battle over welfare, welfare ends up being presented as a force against those who receive it, without them understanding why it is so (113). However, this problem with welfare in the United States does not indicate that society should abandon the whole idea of a safety net for those who need it.

"The administration of the [welfare] system should not be confused with its intent," according to Shorris (197). The need to assist those unable to support themselves is very real in this country. However, the attempt to provide a safety net through AFDC and other programs has been unsuccessful. Much of the reason for this is that welfare does not address the root of the problem for many welfare recipients, such as inadequate job skills, the changing low-wage job market, and inadequate day-care. "Ideally, [welfare] would be part of a comprehensive system to give the poor the tools to learn reflection and politics and enter the world of citizens, where they could earn an adequate living without depending on the state," (197). Only when the necessity of helping welfare recipients through methods other than simply handing out money is understood will the United States be able to create a successful welfare program. As long as welfare remains a struggle for power, rather than a sincere effort to improve the lives of those who use it, it will be a failure.

Rather than viewing problems with welfare as a form of oppression by those in power over those who have little, William Julius Wilson considers the lack of concern over welfare in the United States a demonstration of the poor value of social rights in this country (155). Wilson considers welfare in the United States primarily in relation to the established welfare programs of Europe, which are vastly different. “In contrast to many European nations, the United States has not created comprehensive programs to promote the *social* rights of American citizens. Anti-poverty programs have been narrowly targeted and fragmented” (Wilson, 155). Social rights are not viewed in the same manner in the United States and Europe because there is a fundamental difference between what the two understand to be the root cause of people being unable to support themselves. The United States understands the problem to be based at the level of the individual, while Europe tends to understand the problem as a systemic one. Since “the basic belief system concerning the nature and causes of poverty and welfare frames economic and social outcomes mainly in individual terms” in the United States (158), there is not a belief that society as a whole has a responsibility to address these problems. “Beliefs that associate joblessness and poverty with individual shortcomings do not generate strong support for *social* programs intended to end inequality” (159). Because of this belief in individual fault, attempts to reform welfare remain focused on the individual rather than attempting to address any sort of systemic problems. Instead, United States reform efforts simply reinforce a prominent belief that "it is the moral fabric of individuals, not the social and economic structure of society that is. . . the root of the problem" (164). This desire to blame the individual does nothing to improve the situation with which welfare recipients are faced: government programs that do not provide enough to live off of, punish those who try to work by decreasing benefits, and do not provide programming that would allow recipients to develop marketable skills. According to Wilson, "Concerns about the civil and political aspects of citizenship in the United States (unlike in Europe) have overshadowed concerns about the social aspects of citizenship (a right to employment, economic security, education, and health care) because of a strong belief system that de-emphasizes the social origins and social significance of poverty and welfare" (159).

In addition to this, the circumstances in which welfare was developed are very different than those which welfare attempts to address today. Early in the century "workers with limited education were able to take home wages that were comparatively high by international and historical standards. This was especially true after the New Deal policies of the 1930s provided social safety nets for those who were not expected to work" (Wilson, 151). Today, it is deemed unacceptable by most for people who are able to work to not do so and instead live off government compensation. No longer are women to remain in the home and raise children, as was deemed not only acceptable but appropriate when AFDC was created. At the same time that everyone who is able to is expected to work, wages have decreased drastically for "low skill" jobs and qualifications have risen for work in most fields. Jobs that were once available to those with only a high school degree may now require a college degree if not more specific education. Thus a new struggle is faced in today's job market: how do people with limited education who are not trained in any particular skill compete in today's highly competitive job market which increasingly offers fewer and fewer low skill jobs? This is the question that welfare reformers are challenged to answer and act on.

Rebecca Blank views welfare as a futile program in the recent past, both before and after the 1996 reform, because welfare does not address the problem of poverty. The problem with AFDC, Food Stamps, and other programs is that they don't attempt to help people escape poverty: "they simply provide a safety net for those who are poor" (Blank, 11). Without addressing the underlying issue of poverty there is no way that the welfare system can greatly improve the lives' of those who receive it, because the program does not provide services that help people to be able to leave welfare. "The favorite solution to poverty among most Americans has always been overall economic growth that creates jobs and helps the poor escape poverty through work and wages. Unfortunately, wage rates have declined steadily on the jobs available to less-skilled workers, which means that employment has become progressively less effective at reducing poverty" (5). Until the root causes of poverty are examined and welfare is altered to provide solutions for the problems of poverty, welfare will not achieve its goal of alleviating impoverishment in the United States.

"Since [welfare's] fundamental premise is that we must aid strangers, the question arises: Who is to determine what are the needs of strangers? . . . Can it work to let the needy define what they need? Probably not, but who is to say what another person needs?" (Gordon, 10). According to Linda Gordon this is one of the central challenges of the welfare system: deciding what people need to survive without knowing, even understanding, their individual hardships. In an attempt to decide what is necessary in the United States welfare system, three different claims have been made as to why welfare must exist, these being needs, earnings, and rights (10). Over time, different people have utilized these different arguments. However, "needs have often been feminine, while earnings and rights, speaking of power in economy and state, have more often been masculine" (11). The arguments that welfare is needed or constitutes a right are utilized more often and tend to be more effective than the earnings argument. Women have long argued for welfare as a need, declaring early in this century "that fulfilling human needs was necessary to the social order and therefore a public responsibility" (161). However, feminists have utilized the rights argument at times, particularly as the feminist movement has progressed in the last four decades (161). Men also tend to focus on the rights claim, associating a welfare program with liberal views about citizenship in the United States (160). As welfare has become increasingly unpopular in the last two decades both the needs and rights arguments, which were once quite effective, seem to have been diminished. Instead of addressing these basic arguments, discussion of welfare has begun to focus on morality. This brings a new moral stringency into the welfare system that has little to do with peoples' needs, rights, or earnings. However, this does not address what may, in fact, be the most problematic aspect about welfare: “the fact is that a puny welfare system gives no one what they want and thus makes itself universally unpopular” (10). The solution to changing the welfare system is not to ignore the needs and rights arguments that have long been held valid, nor is it to turn welfare into a system of moral punishment. Rather, an expansion of the welfare system to address the multiple problems and needs of those utilizing it may be the only way to create a positive welfare system.

“Welfare policy is intertwined with some of the most pressing problems in the United States, ranging from poverty, racism, sexism, crime, and urban decline to the status of women, children, and the family” (Bryner, xi). The intricacies of these intertwined problems make welfare a very difficult program to implement well, as it is difficult to address all of these issues with a single program. According to Gary Bryner the multiple facets of society that welfare must deal with prevents an effective welfare program from being viewed as effective, because it cannot solve all the issues of poverty that are often associated with welfare. “Even when welfare programs are successful in helping recipients become self-sufficient, welfare still cannot solve the problems of crime, economic isolation, poor education, discrimination, and lack of jobs confronting many people. . . Policy shortcomings in one area will affect efforts in the other areas” (xix). The welfare program in the United States has never attempted to address the root causes of poverty. It focuses, instead, on the symptoms and in doing so does not create effective solutions to help people become self-sufficient (26).

In addition to being intertwined with multiple problems of poverty, the values of

American society seem to directly contradict the culture in which most welfare recipients exist. “The rise of a culture of poverty, rooted in discrimination, economic isolation, and hopelessness challenges traditional American values of hard work, individualism, independence, and faith in equality of opportunity” (Bryner, 26). If a welfare policy is created that addresses the whole spectrum of problems with which welfare recipients are faced, it would acknowledge that the culture of poverty is rooted, to some extent, in the culture of the United States. It is easier to focus on the number of people on welfare roles, rather than the vast poverty that exists in this country. However this numbers game of how many people are on welfare is not going to be of much significance in the end, if welfare rolls are down but poverty has drastically increased. “The ultimate concern is whether more families become self-sufficient and fewer children live in poverty, rather than what happens to welfare rolls” (Bryner, xix). In order to improve the lives of the impoverished in American society and in being consistent with the American values to help the less fortunate would be “a collective commitment to secure work opportunities for everyone who can work and to provide support for low-income workers for child care, health insurance, food stamps and other nutrition programs, and training” (325).

“Because of our emphasis on individualism, it is hard for Americans to believe that able-bodied people who have been in poverty for long periods are poor through no fault of their own” (Cammisa, 17). The American dream promotes the idea that anyone can get ahead if they try and this idea is a challenge to the entire system of welfare. Thus, Anne Marie Cammisa situates the welfare system in the United States as one that focuses on the distinction between the deserving and undeserving poor (5). People who are not personally responsible for their poverty, due to circumstance such as age, temporary unemployment, or disability, are considered deserving of society's help. However, the undeserving poor are considered those whom society holds responsible for their own poverty and are therefore not entitled to government help. These are the people whom society feels should be able to get out of poverty on their own, because it seems that they have the ability to do so with determination and hard work (5). One of the challenges of welfare is to determine who deserves assistance from the government and to provide them with enough that they can live decently (19).

Welfare creates a very difficult situation in the United States because it is influenced by two philosophies that can be contradictory. The first is the idea that individuals should be able to succeed in the free market economy of the country. This promotes individualism and the idea that there is the opportunity for everyone to be successful (Cammisa, 17). The second philosophy is that communities need to take responsibility for its members when they need help. Thus, the well-off are encouraged to help the less fortunate (17). This idea is manifested through the welfare system.

How to create a welfare system that helps those in need without encouraging people to remain on government assistance for an extended period of time is very tricky. As Cammisa points out, "One person's safety net is another person's dependancy trap" (6). The challenge in creating a successful welfare program can be demonstrated by simply looking at AFDC. "Today a consensus that the AFDC program does not really help poor children spans the political spectrum. Conservatives believe that AFDC destroys initiative and creates perverse incentives that discourage work and marriage. Liberals contend that it offers inadequate benefits while robbing individuals of their dignity and self-esteem" (Cammisa, 6). While few are satisfied with AFDC, many people do want to continue to help the poor in general. "In a 1994 poll, 62 percent of the public favored decreasing spending on welfare, while 59 percent favored increasing spending on helping the poor" (8). The largest challenge, it would seem, is in creating a welfare system that addresses the needs of the poor without imposing moral judgement, as recent programs have.

There is no simple answer as to why so many people in the United States rely on the social safety net that welfare provides and therefore there is no easy answer as to how to reform welfare so that it will address the needs of all those that use it. Joel Handler and Yeheskel Hasenfeld feel that various issues need to be addressed in order to create a welfare system that can actually help those on welfare, rather than pushing them off the roles after a certain amount of time has passed. "The debate over welfare policy is both moralistic and ritualized, less concerned with the experience and needs of the poor than with validating dominant norms about who the poor are, why they are poor, and how social control is justified" according to Handler and Hasenfeld. As Wilson has emphasized, by blaming recipients of welfare for their position in society it releases society as a whole from taking any responsibility, thereby allowing the justification of stringent welfare programs. It seems that the goal of welfare is not to move recipients off the roles, but rather to continue with the practice of blaming those who need help the most (Handler and Hasenfeld, 204). This stance is made clear by the fact that the reforms made in the Work Opportunity and Personal Responsibility Act of 1996 do not attempt to alter any of the environmental circumstances that may promote welfare dependancy, but rather attempt to alter the individual behavior of those receiving welfare (10).

Instead of focusing on already struggling individuals and criticizing them for being in the position of needing government assistance, Handler and Hasenfeld feel that what needs to be addressed is the problem of poverty and the disappearing low-wage job market in the United States. While the low-wage market provides jobs which do not pay enough to earn a large income, they do provide enough money to assist families and allow some of them to leave welfare, when combined with another income. However, restoring the low-wage market would not solve the problems of the poverty and welfare. "The problem for most welfare recipients is not a lack of work ethic; it is a lack of jobs available in the market for those who want them" (12).

The assumption behind the current welfare reform is that there are jobs available for those who want them (Handler and Hasenfeld, 38). This is problematic because the low-wage market, where most welfare recipients would find work, does not offer enough jobs for all those on welfare nor does it pay well enough to allow many of those employed in it to provide for their families. "It is assumed that with the proper incentives and sanctions, recipients will get jobs, and that even though these will be low-wage, entry-level jobs, if people stick with these jobs they will obtain better paying jobs, thereby transcending the harmful consequences of dependancy and poverty" (38). There are several problems with this theory. First of all, there are not jobs available for all those on welfare. This is of particular significance because this is during a stable economy. When an economic recession occurs there will be few if any jobs available to those currently on the welfare roles. In order to address the plight of those on welfare, job creation needs to occur so that there is the opportunity for everyone to be employed. However, simple job availability is not enough; in addition these jobs need to be suitable for those who need to be employed or training needs to be provided so that those seeking employment possess the skills necessary for the jobs which are available. Secondly, the amount of money earned by those working in the low-wage sector must increase so that people can actually survive off this money. Additionally, either the provision of, or subsidies for, child care and health care need to be provided to allow for parents to work without having to worry about the care of their dependants (97).

In addition to these basic changes, there are two others of significance because of the manner in which employment has changed since welfare was first enacted as AFDC. Part-time work has expanded vastly in recent years allowing for those who are unable to work full-time, for various reasons such as raising children, to be employed at least part of the time. Part-time employment is often beneficial to a parent's schedule, as it allows for parents to be at home with their children part of the time. However, the major drawback to this is that benefits are not extended to part-time employees, requiring these workers to take care of health care expenses out of pocket. Unemployment insurance should be adjusted to account for this increase in part-time employment, as should the tax system. The United States tax system should be adjusted so that when "people. . . either leave welfare for work or combined work with income-maintenance programs [they] are not penalized" (97). These reformations will allow for the people currently on welfare to function as productive citizens in society who no longer rely solely on the system of social welfare to survive. Since Handler and Hasenfeld believe that the declining low-wage market is the root cause of the massive welfare dependancy in the United States, they believe that welfare reforms in this country, including the 1996 reform, can not possibly hope to address this problem (204).

The idea of entitlement has been greatly challenged, replaced by great emphasis on the theme of responsibility (Handler and Hasenfeld, 9). Those who have power in our political system have decided that it is not a societal problem that creates the need for so many people to rely on welfare, but rather fault lies with the individual. In focusing on individual welfare recipients and their lack of work ethic, the work ethic of the 'norm' is reaffirmed (201). "It is this approach to poverty – avoiding the larger structural issues in the economy and polity by assigning individual moral fault – that explains not only the extraordinary continuity of welfare throughout history but also the *repeated failures* of welfare reform" (201). The continued unwillingness to address any sort of systemic problem in the United States that contributes to the welfare dependance which currently exists marks the country for continued disaster in attempting to reform the system. In fact, there seems to be a desire to continue with an inadequate welfare system. This implies that it is more important to focus on victim blaming than to move welfare recipients off the roles (219). Handler and Hasenfeld conclude that "American policy refuses to confront the structural causes of poverty. It's time to stop the age-old practice of blaming the poor and welfare for poverty" (225).

There are few people who suggest that welfare was at its best before the 1996 reforms, when AFDC was the central program. However, the change from the entitlement system of AFDC to the workfare system to be implemented under the Personal Responsibility and Work Opportunity Act of 1996 has not been seen by everyone as a step forward. According to Morton Baratz and Sammis White "workfare. . . focuses attention on the wrong problem," (1937). As Handler and Hasenfeld have suggested, the problem does not seem to be that welfare recipients lack the will to work, rather there are too many obstacles that stand between them and a job in the workforce that allows for the support of the recipient and their dependants (12). Workfare creates a new problem in that it focuses solely on the employment of the parents, without paying attention to the welfare of the children (Baratz and White, 1939). The effort to force parents into the work force does not take into consideration how the presence of a parent at home "is imperative. . . for the future of AFDC children" (1943). This is not to say that workfare is a program that should be entirely abandoned. However, abandoning the idea of entitlement for children and their parents can have an adverse effect on the children who have no control over their own situation, and this should be considered in the attempts to alter the welfare system.

There is no one reason as to why the welfare system in the United States does not work. What can be established is that few people feel that AFDC does an adequate job of providing for people on welfare nor does it help people to get off of government assistance. Thus, when Clinton announced "ending welfare as we know it" in his 1992 presidential campaign, it was welcomed by many people. It was August 1996 before the Personal Responsibility and Work Opportunity Act was signed, and the results of this new legislation are still unclear. However, it seems that the act will not be able to address the numerous issues that have been raised by historians and social scientists. The question is, will welfare reform need to be reformed? And if so, how?

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

The welfare program of the United States was dramatically altered when President Clinton signed H. R. 3734, The Personal Responsibility and Work Opportunity Reconciliation Act, into law on August 22, 1996. This law has created the first major changes in the welfare system since its creation under Franklin Delano Roosevelt, as it brings an end to Aid to Families with Dependant Children (AFDC) and replaces that program with Temporary Assistance to Needy Families (TANF). In altering the basic structure of the welfare system, the 1996 law has created a five year maximum duration of government provided welfare assistance, instituted a work requirement for program eligibility, and expanded government funding for child care (CRS 96-687). By signing this bill into law the President has followed through on his campaign promise to "end welfare as we know it." However, only over time will the vast implications of the law be determined to affect the welfare system positively or negatively.

The major transformation in the welfare system is that from the federally controlled entitlement system of AFDC to the state-run block grant program of TANF. The AFDC program was funded with a matching program of state and federal funds. Under this program states were unlimited in the amount of funds they received from the federal government as long as they invested a proportional amount of state funds (CRS 96-687). This allowed for states to increase or decrease the funding they spent on welfare each year according to the need in the state. The positive matching rate of a state receiving four dollars from the federal government for each dollar the state spent on welfare programming encouraged use of state funds while still offering strong federal support (Jencks). TANF dissolves the previously existing matching programs and replaces it with fixed block grants to the states. Through the year 2002, the amount of the block grants has been set at $16.4 billion annually (CRS 96-687). In order to receive the full amount of this block grant, a state is required to devote 75% of its historic spending level to welfare programing. The historic spending level of a state is the amount of money that it spent on AFDC in 1994, because most states spent more money on AFDC in 1994 than at any other time in recent history (CRS 96-687). If a state wishes to increase spending on welfare programming beyond the federally provided block grant and their required contribution, the spending increase will come solely out of state funds (Jencks). However, according to Government Accounting Office estimates, as the economy currently stands, states have an additional $4.7 billion to spend under the TANF program than they did under AFDC (McGranahan).

Beyond the TANF block grant, there are four different ways for a state to procure additional federal funding. Two sources of TANF funding are available only when specific circumstances create the need for additional funding. These are the supplemental grants and contingency funds. Supplemental grants are available during high population growth years and in areas where the per-poor-person federal welfare funding falls below the federal average. The contingency funds are federal grants that equal up to 20% of a state's basic TANF grant which are available during periods of rising unemployment. In order to receive the contingency funds, a state must have already spent 100% of its historic spending level (CRS 96-687). The other manner through which states can obtain additional funding from the federal government is by receiving a TANF bonus. There are two different bonuses available, one being the out-of-wedlock bonus and the other being the performance bonus. In order to receive the out-of-wedlock bonus a state must reduce both the number of out-of-wedlock births and the number of abortions performed in the state. The performance bonus is awarded to states that achieve the 'goals' of TANF, as determined by the Department of Health and Human Services Secretary (CRS 96-687). While these four types of funding are available to supplement the set block grants, there is still some concern that states will not have enough funds to be able to provide for all those who seek out welfare services.

As for the value of the block grants, since they are set at $16.4 billion until 2002, their value will decrease over time as they will not change to keep up with any inflation that may occur between now and 2002 (Jencks). However, the new law provides several areas of great flexibility, including the option of states holding onto some of their welfare funds for use in future years (CRS 96-687). Additionally, states have the ability to transfer some of their welfare funds to other state programs they want additional funding in, or the state can keep any money that it does not spend on welfare programing (Jencks). Unlike AFDC, the distribution of welfare funds and services through charitable, religious, and for-profit organizations is allowable under the new law (CRS 96-687).

In addition to the TANF block grant, each state is given a Child Care and

Development Block Grant, which is the form of distribution for the federal child care subsidy program (CRS 96-687). This block grant replaces the child care programs which were previously operated under the Social Security Act, including AFDC child care, transitional child care for former AFDC recipients, and at risk child care for very low-income working families. According to the Congressional Budget Office government child care outlays will be increased by $3.5 billion during the first six years the program is in effect (CRS 96-687). However, this spending increase has been justified as providing a necessary service for getting women to work. Each state is required to spend at least 70% of their child care block grant on child care for TANF recipients who are striving to reach self-sufficiency through work activities and for very low-income working families who face a risk of welfare dependence. They are required to use the remaining funds to provide child care services to low-income working families, which are defined as families whose incomes are 85% or less of the state median income (CRS 96-687). Finally, states are required to use 4% of their child care funds to improve the quality and availability of child care in the state (CRS 96-687). The Child Care and Development Block Grant is a dramatic improvement in welfare as it provides funding for a necessary, but expensive, service for working mothers.

The final form of funding that states receive from the federal government is money which comes from the newly created Social Services Block Grant. Each state receives $2.38 billion for the years 1997 to 2002, which is less than they previously received when AFDC was in effect (CRS 96-687). States are allowed to use this money for service vouchers for low-income and destitute families, including those who are no longer eligible for TANF due to time-limits or state imposed family caps. Once families lose their TANF eligibility this is the only federal funding which they may receive (CRS 96-687).

While the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 provides a great deal of flexibility for welfare programs to work within, there are several federal conditions which states must comply with in order to receive their full grants, including work requirement standards and time limits for those receiving welfare. One of the most highly emphasized portions of the new law has been the requirement for states to implement a time limit as to how long a family may receive federal funding. At a national level, families may not receive funds for more than five years, cumulatively (CRS 96-687). However, states have the freedom to impose stricter limits than those the federal government has set. This implementation of a time limit has essentially ended the entitlement practice which existed under AFDC.

In addition to the federally imposed time limits, TANF has numerous strict work requirements that must be followed in order for a families to receive their benefits. After receiving TANF benefits for two months, individuals are required to take part in community service to continue receiving benefits (CRS 96-687). Once TANF participants have received benefits for two years, they must be engaged in "work," as defined by their state (CRS 96-687). In addition to these laws specific to individuals, there are laws which the state must abide by that refer to the percentage of people employed who are receiving benefits. The standards set by the new law in 1996 required that 25% of the single parents receiving TANF must be working by 1997, while 75% of two-parent families receiving TANF be working (CRS 96-687). By 1999, 90% of program recipients in married families are required to be employed and in 2002 half of all single parent participants must be engaged in work activity (Bryner, 217). If states do not meet these federal mandates, they must increase their expenditures on welfare-to-work programs for the next year (CRS 96-687). Additionally, they will have receive the amount of their block grant cut by 5% (Moore, Winter 1997). However, when states do meet these requirements and their welfare roles drop, the state's work requirement percentage drops by an equal amount (Bryner, 318).

In addition to increasing the number of people required to work, the 1996 law increases the minimum number of hours a participant must work to be able to receive some form of government assistance. In 1999 single TANF recipients are required to work 25 hours a week, which increases to 30 hours a week in 2000. Two-parent families receiving TANF must work a combined total of 35 hours each week (CRS 96-687). However, single parents with children under the age of six are only required to work 20 hours a week, while single parents with a child under 12 months old are exempt from the work requirement (CRS 96-687). Education is excluded from counting toward a work participation rate in a state, unless it is vocational training or working towards a high school diploma (CRS 96-687). Only 30% of TANF recipients are permitted to be involved in vocational educational programs at any point and involvement in these programs may not exceed twelve months (Pavetti).

Some moral values are reflected in the new law, specifically focusing on what behaviors unwed teenage mothers must exhibit in order to receive welfare benefits. It is required that unwed mothers under the age of 18 live with a parent or guardian in order to be eligible for TANF (CRS 96-902). This automatically excludes young mothers who are unable to live at home because of problematic relationships with their parents. Additionally, it may force some women to live at home, but raise their child in a very dysfunctional situation. Teenage mothers must also be attending high school to receive TANF funding (CRS 96-687). While completing a high school education is an important thing for teenage mothers to do, it seems highly unlikely that all teenage mothers will be able to do this without federally subsidized child care – which is not guaranteed under the law. By imposing these restrictions on unwed teenage mothers, numerous women and children who need government aid may find themselves ineligible for it.

As long as states work within these guidelines set out in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 they have a great deal of freedom to construct their own individual programs to best serve their state population. This new freedom grants states an amount of power which they have never had before in which they can determine who should be able to receive benefits and what guidelines those eligible must follow to collect the benefits. This transfer of power from the federal level to the state level is perhaps the most significant aspect of welfare reform, as it creates a dramatic change in the construction and distribution of the welfare program.

"Devolution to states is attractive for all of the reasons proponents have given – flexibility and tailoring of programs to recipients' needs and local conditions, experimentation and learning by experience. . . Some federal standards will still remain in areas such as maintenance of effort, so states will be obligated to continue to provide a minimum of support to welfare families, and some federal guidelines will require states to pursue at least a few common policy objectives" (Bryner, 314). From this description, devolution sounds like a very positive change in welfare, which it has the possibility to be. States are able to determine what level of benefits they will provide to program participants, which could include expanded cash benefit levels or support services and benefits (CRS 96-902). Additionally, states now have the freedom to determine asset levels for their welfare participants, which has led some states to allow families to own cars, as they facilitate getting to and from work, without it interfering with their welfare benefits (CRS 96-902). However, states also have the power to impose extremely tight regulations and restrictions on welfare recipients. For instance, more than one-third of states have created lifetime limits which are more restrictive than those set in the Congressional legislation (Jencks).

With states determining who is deserving enough to need government help and how needy a family must be before it receives that help, the entitlement status of welfare that has existed since the establishment of a welfare system is being dismantled. "Under TANF individuals and families have no entitlement to assistance. Presumably, states are free to determine which families receive assistance, how much, and under what circumstances; if a state runs out of funds, applicants can be placed on waiting lists or rejected. In other words, there is no longer a guarantee of aid" (Handler and Hasenfeld, 6).

With the introduction of TANF in the 1996 law, AFDC and other welfare programs such as JOBS were abolished, thus forcing states to experiment with their block grants to create new programs to replace the previous ones (Bryner, 187). “States can now do almost anything they want,” according to Peter Edelman, “even provide no cash benefit at all” (Johnson and Silver). “While a block grant gives states greater flexibility, more financial independence, and the ability to innovate, it also renders the federal grant amount to a state independent of the state’s changing needs over the business cycle” (McGranahan). The hope is that states will use their increased freedom to create welfare programs specific to the needs in their individual states and that the block grant amounts are enough to cover all the programming a state wants to finance, even in periods of economic downturn.

Clearly, The Personal Responsibility and Work Reconciliation Opportunity Act of 1996 has permanently altered the manner in which the welfare system works in the United States. The termination of the entitlement system of welfare and the creation of strict federal and state standards usher in a new era of welfare. It is an era in which states are expected to design welfare programs that will successfully serve their welfare population. It is an era in which recipients must work to be eligible for federal funds. Beginning with the implementation of the new law, the ability to receive welfare must be earned by those who seek to receive it.

The Way Wisconsin Works

Wisconsin's Law

In 1987 Wisconsin elected republican Tommy Thompson to the governor's office based on his platform to reform the welfare system of the state. With that election, Wisconsin became the first state in the United States to attempt to implement a new system of welfare. Immediately following Thompson's 1987 election Wisconsin began to build up its welfare employment programs. Originally the state used its own money to increase this programming, only later receiving funds from Washington to expand its 'workfare' programs (Mead, 12/3/95). Between 1989 and 1993, Wisconsin was one of only three states to reduce its welfare roles while the majority of states had an average increase of 35% in their roles. In order to achieve these results Wisconsin did not drop its welfare benefits to the bottom of the barrel, during this time period the state was providing the twelfth highest benefit rate in the country (Mead, 12/3/95). A new incarnation of welfare was being developed at this time and was introduced by Governor Thompson in 1994.

It has taken several years and various trial workfare programs for Wisconsin to develop and fully implement the current program. Work First was the first workfare program Thompson introduced in 1994 and it was steadily expanded through 1996. In 1995, Wisconsin began implementing Work Not Welfare in Pierce and Fond du Lac counties. Work Not Welfare was the trial implementation of what has become W-2 (Rector, 3/97). In the spring of 1996 two new programs were implemented in Wisconsin.

One program was Work First, later known as Self-Sufficiency First, the other being the Pay for Performance program. Pay for Performance is the first work program in Wisconsin which allowed for benefits to be deducted in proportion to the amount of work a participant failed to perform (Rector, 3/97). In the spring of 1997 Wisconsin Works, nicknamed W-2, was implemented state-wide. W-2 is the first comprehensive welfare overhaul in the United States. It is an overhaul so complete it abolished the welfare entitlement which had been in place since FDR's presidency. In Thompson's own words, the revolutionary W-2 "will provide plenty of help, but not plenty of free cash" (Kondratas, 7/96).

In March of 1996 Self-Sufficiency First went into effect in Milwaukee. Self-Sufficiency First is central to the goal of reducing the number of people receiving welfare in Wisconsin as it attempts to divert people to use other options before they begin using welfare (DeParle, 5/7/97). This diversion of new applicants is encouraged by strict prerequisites such as requiring people to spend 60 hours performing a job search before they become eligible for any welfare money (Cohen, 4/21/97). In downtown Milwaukee it is estimated that nearly one-third of possible welfare applicants leave without signing up for W-2, once they find out how many conditions there are to receiving a check from the government (Cohen, 4/21/97). In addition to using tough prerequisites to discourage people from using welfare unless they absolutely need it, Self-Sufficiency First also offers short-term aid, for things such as auto repair, which may eliminate the need for people to enroll in welfare in the first place (Rector, 6/16/97).

There are numerous requirements which people must be consistent with in order to receive government aid. The residents of Wisconsin with incomes at 115% of the federal poverty level or below are eligible to receive welfare through W-2 (Moore, Winter 97). In order to be considered a resident of Wisconsin eligible for W-2, a person must have sixty days residency in the state. In the case of those who have recently moved to Wisconsin, the state can, for the first six months of residency, provide them with the benefit level they received in their former state if it is less than Wisconsin provides (Moore, Winter 97). With these requirements, the state hopes to prevent attracting the poor from other states while still helping those who live in Wisconsin get off welfare.

Wisconsin Works is based on the premise that those who are able to work should not be entitled to government assistance if they are not working. In addition to this, W-2 holds that virtually everyone is able of performing some form of work (Kondratas, 7/96). Thus, when a person speaks with a welfare caseworker the welfare participant is placed into one of four work categories. People who are determined to be 'job ready' are cut from, or not allowed to begin receiving, welfare. The only help they receive from the welfare agency is in locating a private sector job (Rogers, 8/29/97). For people who need some preparation in order to get and maintain a job, trial jobs are provided. The state gives private companies a grant of $300 a month for a three month training period, during which the company employs and trains welfare recipients with the intention of hiring them on a permanent basis after the trial period is up (Rogers, 8/29/97). In

Racine, Wisconsin, trial jobs are being offered at Johnson Wax, where the company pays the minimum wage to the welfare participants for three days of work each week and provides classes the other two, paid for with the money the state gives the company (The Economist, 11/1/97). If an individual does not qualify for a trial job, they may be placed in a community service job for which they will receive a grant, which while originally set at $555 each month, has been increased to $673 so that workers receive the minimum wage for each hour they work (Bice, 6/6/97). Community service jobs require 30 hours of work each week, with an additional 10 spent in training and can be held for up to six consecutive months (The Economist, 11/1/97). There will be some people who do not fit into any of the three work categories, these being the hard to serve population. Still, they are expected to do some sort of work in order to receive government assistance by participating in W-2 transition. In exchange for a $628 monthly stipend, increased from the original amount of $518, W-2 transition participants must take part in 28 hours of education and training each week, while attending alcohol or drug abuse treatment programs if they are necessary (Bice, 6/6/97 and The Economist 1/1/97). The theory behind this multi-tiered work program is that people will gain skills at each level and these new skills will enable them to move upward until they are job ready and employed in the private sector (Walker, 11/28/95). Since W-2 is a full-employment program some form of work must be performed to receive government money, no matter which W-2 category a person fits into (Moore, 1997).

One of the most significant aspects of Wisconsin Works is all the support programing that is being implemented to make the program a success. “Study after study has shown that welfare mothers leave work and return to welfare or never get off it in the first place because of the lack of health care and the absence of safe and affordable child care,” according to Rochelle Stanfield (9/23/95). W-2 plans to provide these services so that people will be able to leave welfare and work without being forced to live without medical coverage or spend the majority of their income on childcare. Wisconsin has separated the welfare program from the Medicaid program, which allows people to remain on Medicaid even if they are not receiving welfare (Ryan, 9/21/97). In fact, Wisconsin is providing health care to all low-income families in the state, whether or not they are, or have ever, received welfare (Kondratas, 7/96). The state is implementing the same type of program with child care, in which it is available to all low-income families in the state (Walker, 11/28/95). For both health care and child care, co-payments will be based on a sliding scale with people paying more for the programs as they are able to (Kondratas, 7/96). Additionally, W-2 provides non-cash assistance such as food stamps and transportation assistance to people who are enrolled in any of the four W-2 work categories (Ryan, 9/21/97). Finally, programs to battle addiction to alcohol and drugs and parenting and life-skills classes are being offered to those on welfare in an effort to deal with dysfunctional lifestyle situations (Kondratas, 7/96). With these programs in place Wisconsin hopes that more people will be able to leave the rolls and eventually become self-sufficient.

Another change Wisconsin is making in hopes that it will help to raise the income level of the low-income and welfare families in the state has to do with the recovery of child support payments. While Wisconsin has one of the highest child support payment recovery rates in the nation, it is just 38% (Murphy, 1/5/98). In the past, welfare recipients have had no motivation to help recover child support monies because the payments were used to offset the costs of public assistance. Under W-2, the complete payments will be given to the custodial parent, hopefully bringing about increased family cooperation, leading to increased recovery rates (Kondratas, 7/96). Additionally, with the activation of Wisconsin's Kids Information Data System, also known as KIDS, the state hopes to increase their recovery rate. If the location of the non-custodial parent is known, KIDS can quite easily collect child support payments by deducting them from wages. Before the implementation of KIDS, wage deduction orders took two to four weeks, now, however, the system processes the orders immediately (Murphy, 1/5/98). Of the 83,000 child support payments which have orders to be enforced, 30,000 to 35,000 are being collected using KIDS to deduct funds from pay checks and tax refunds (Murphy, 1/5/98). For many families, receiving child support payments will mark a significant increase in their incomes.

After the implementation of Self-Sufficiency First in March of 1996 case openings immediately began to drop in Wisconsin, running between 7% and 31% lower per quarter than in 1995 (DeParle, 5/7/97).This is due to what has come to be called the hassle factor. The hassle factor is characterized by the numerous requirements which people must fulfill before they are eligible to receive welfare. In addition to Wisconsin, Iowa and Massachusetts have utilized the hassle factor to cut welfare roles by making program recipients follow rules to receive welfare, rather than providing a welfare check to recipients and then helping them try to meet program requirements (Dresang, 5/16/97). It seems that the hassle factor has been successful to a certain extent, as many people decide to forgo the hassles of welfare and find a job on their own (DeParle, 5/7/97).

With the implementation of these new welfare laws, the welfare administration is being dramatically altered. Much of the motivation in transforming the traditional welfare system into W-2 was to decrease the amount of big government surrounding welfare programming. However it seems that W-2 will fail dramatically in achieving that goal, because the manner in which W-2 is set up causes Wisconsin's welfare program to be more complex administratively than the previous system (Mead, 12/3/95). Wisconsin has state computer systems which closely follow the progress of those involved in W-2, an increased number of case workers check in with clients regularly to personally see how people are progressing, and county performances are also closely monitored (Mead, 12/3/95). All of this requires an extensive administration as well as a technologically advanced tracking system. While Wisconsin is reducing welfare rolls, it hasn't been able to reduce the size of the bureaucracy which administers the program (Mead, 12/3/95). However, if a large government administration is what is necessary to reduce welfare rolls, big government may not be as intolerable as it first appears.

The Challenges Wisconsin Faces

Wisconsin Works is a program which is drastically different from anything that has come before it. Thus, W-2 participants are learning to make adjustments in the manner in which they lived while receiving AFDC. This transformation is very challenging for many people using the new program, as complications surrounding maintaining employment, program sanctions, receiving child care, and completing an education all play a significant role in W-2 implementation. In order for Wisconsin to achieve success, these problem areas need to be recognized by the administrators of W-2 and then addressed with positive solutions.

With the implementation of W-2 numerous residents of Wisconsin have been declared job-ready. While these people do receive help in finding and getting a job, they first face a difficult period during which they are not working and no longer receiving any cash from the government (Dresang, 5/8/98). Approximately 29% of the W-2 cases in Wisconsin are facing life with only case management and support services, such as child care, transportation subsidies, and Medicaid (Dresang, 5/8/98). In attempting to find jobs, W-2's job-ready participants are competing against very difficult odds when looking for low-skill work. For every low-skill job that is available in Wisconsin there are two to three people who would like to fill it. Within Milwaukee there are seven people for each low-skill job opening (Sharma-Jensen, 8/28/97). According to Paul Kleppner, director of the Office of Social Policy Research at Northern Illinois University, 123,377 low-skill workers were unemployed and seeking jobs in 1998, the majority of them W-2 participants. However, there were only 40,790 low-skill jobs open throughout Wisconsin (Sharma-Jensen, 8/28/97). Milwaukee residents are not without some hope, though. Several of the W-2 agencies have been relatively successful at finding jobs for the job ready W-2 participants. At Maximus, one of the W-2 administrative agencies, 1,000 people were placed in unsubsidized jobs within a four month period. Although these placements are mostly in entry-level positions do they pay more than the minimum wage, varying between $6 and $7.50 an hour (Sharma-Jensen, 8/28/97).

One area of contestation under W-2 has been the grant amounts which community service jobs and Wisconsin transition provide in relation to the amount of work they require. Originally, the hourly requirements and total grant amount worked out so that participants in community service jobs and Wisconsin transition earned less than the minimum wage for the work they were performing. However, in 1997 the White House announced that the federal minimum wage law is applicable to all those participating in community service work (Stanford, 6/12/97). Thus, Governor Thompson recommended an increase in the community service grant from $555 to $673 a month. Since community service workers are required to work 30 hours a week, this increases their hourly 'wage' from $4.27 to $5.18 an hour (Stanford, 6/12/97). The White House decided not to require that community service workers be paid a wage instead of a grant, which has been another topic of debate. If community service workers received wages for the work they performed they would be able to apply for the Earned Income Tax Credit which would allow them to increase their income by several thousand dollars a year (Stanford, 6/12/97). If all community service workers eligible for the EITC received it, more than $50 million would flow into Wisconsin. The individuals receiving the EITC would spend this money in Wisconsin, reinvesting in the state's economy (Murphy, 1/17/97). The state, however, is opposed to paying wages because it would be forced to pay a 7.65% tax on employee wages for Medicare and Social Security (Huston, 11/26/98). Additionally, when the EITC is applied for, although most of the credit is federally provided, the state does pay $300 to $400 for each family every year. These expenses would increase the state expenditures in the community service and Wisconsin transition programs (Huston, 11/26/98).

The workfare positions that have been created by Wisconsin Works are essential to the full employment implementation that Wisconsin hopes to achieve, and most will argue that they provide work and training opportunities for people who would not otherwise have access to them. However, Governor Thompson has not specifically addressed how welfare recipients are expected to be able to hold a job in the private sector for an extended period of time once they find one, since this is problematic for many welfare recipients (DeParle, 6/30/97). For those participants involved in community service jobs or W-2 transition, strict regulations intended to simulate real world work situations exist in which "pay is docked for failure to appear because that is what an employer would do; benefits do not vary with family size, because neither do wages; mothers are expected to be available for work when their child is twelve weeks old, because that is the norm in the job market" (The Economist, 11/1/97). The problem of maintaining responsibility and a steady job has become evident in the community service tier of the W-2 work programs as sanctions are being used much more widely than first anticipated.

While a strong focus was put on time limits before the new program went into effect, sanctions seem to be having a much more devastating impact on families involved with W-2. For every hour of work or training that is missed by a W-2 participant, $5.15 is subtracted from the monthly grant the community service or W-2 transition provides (Huston, 12/20/98). The number of sanctions which have been administered are twice as high as expected, running at 27% of the total number of W-2 participants in the state. The majority of the sanctions, 91%, have been applied to families residing and working in Milwaukee County where the average reduction in pay is $442 (Huston, 12/20/98). While sanctions are excessively high, much of this can be attributed to bureaucratic error – in the first five months in which sanctions were imposed on participants in Milwaukee, 44% were later found to be improperly applied (DeParle, 6/30/97). While some W-2 participants may actually deserve to be sanctioned because they did not participate in all the programming required to receive their monthly grant, many are trying to survive by fully participating in W-2 but are suffering under the complexity of the administration that accompanies the new law. There is the possibility to re-enroll in W-2 if someone is dropped from the roles due to sanctioning, however this is only permitted the first two times a person violates W-2 rules. If a person violates W-2 rules a third time, they are not allowed to re-enroll in the program (Vobejda, 8/26/97). Due to these restrictions it is important that sanctions are only applied when people deserve them.

In addition to having to deal with the complexity of new requirements to receive a monthly cash grant, many people are having difficulty adjusting to the changes in Medicaid that has occurred alongside the formation of W-2. In accordance with the national law passed in 1996, Wisconsin Works separates welfare and Medicaid programs so that if a person is no longer eligible for W-2 they can still apply for, and receive, Medicaid. With this separation, the state is able to expand it's health care coverage to people who have not previously received it, such as the working poor who are not receiving welfare (Dresang, 10/1/96). The elimination of automatic Medicaid enrollment which many people are used to receiving has created a drastic change in the enrollment rates in Medicaid in Wisconsin (Dresang and Manning, 2/15/98). Between January of 1997 and January of 1998 43,000 people dropped out of the Medicaid program – 16% of the state's total Medicaid recipients. Within Milwaukee only 87,000 of the 115,000 people eligible for Medicaid are enrolled in the program (Dresang and Manning, 2/15/98). In 1998 the Sixteenth Street Community Health Center had 25 patients a week calling to cancel appointments because they believed they had 'lost' Medicaid eligibility. This is because one of the major problems with the separation of welfare and Medicaid is that many people do not understand the way in which the new system works and do not know who to contact for help (Dresang, 7/30/98). With the separation of the two programs all families need to apply for Medicaid and then recertify their eligibility every three months, a complicated system that does not easily lend itself to program accessibility (Dresang, 7/30/98). In an attempt to increase enrollment in Medicaid, the state is spending $2 million on outreach activities statewide and increasing the number of staff at the new Medicaid Hotline to help with problem resolution (Dresang, 7/30/98). While numerous problems have arisen from the separation of welfare and health care, the ability to continue to receive medical coverage through Medicaid for a limited time following an individual's move off of welfare and into the private sector is the key benefit of this separation.

There are two key elements to the success of Wisconsin Works. One is the provision of health care to working parents. While there have been numerous difficulties in the transformation of welfare and Medicaid to individual programs, the ultimate goal is to be able to provide health care to as many people as possible, both those enrolled in W-2 and those who are not. The second element essential to W-2 is the provision of child care to everyone participating in the program which will allow them to feel comfortable leaving their children and going to work.

Child care is thought to be the most costly investment in welfare reform, at both the federal and state level. Wisconsin has pledged not only to provide low-cost child care to W-2 participants, but also to all low-income workers in the state. All families with incomes up to 165% of the poverty level are eligible to receive child care subsidies and remain eligible for unless their income exceeds 200% of the poverty level (Bice, 6/6/97 and Huston, 5/1/98). The amount of money which families pay for childcare is dependant upon the number of children receiving care, the type of care they are enrolled in, and the parents' income (Huston, 5/1/98). However, Wisconsin law guarantees that no family will be forced to spend more than 16% of their income on child care (Dresang, 8/7/97).

When Governor Thompson added an additional $25 million to the state's already large child care investment in late 1996, he earmarked $20 million of it to be spent on day care for the working poor; the other $5 million to be spent on increasing the number of child care spots available throughout Wisconsin (Havemann and Vobjeda, 12/13/96). With this infusion of $25 million, Wisconsin's spending on child care has significantly increased to $185 million, three times what it was under AFDC (Vobejda, 8/26/97). In May of 1997 Community Coordinated Child Care, Inc. received a grant of more than $700,000 to be used to create 2,200 desperately needed child care openings in Milwaukee (Sandin, 5/15/97). This agency, more commonly known as 4C, certifies child care centers in Milwaukee County. Some of this grant money will be used to train women currently enrolled in welfare to run child care businesses out of their homes, both enabling women receiving W-2 to support themselves and helping curb the shortage of child care (Sandin, 5/15/97).

While Wisconsin has placed major emphases on the importance of child care in making W-2 work, there is still a huge shortage of child care in the state. Even with all the new child care openings, nearly 44,000 children are being cared for in unregulated child care, nearly half of those children under the age of six (Sandin, 5/15/97). The lack of child care, regulated or unregulated, has prevented many W-2 participants from entering the workforce, as they remain home with their children for the four to six week delay that exists in getting child care (Huston, 5/1/98). In addition to being forced to wait for child care slots to open up, many recipients are being forced to wait weeks to receive the child care subsidies for which they are eligible. The standard processing time for a subsidy request is 30 days, however backlogs often occur to make the wait even longer (Huston, 11/25/97). Additionally, Wisconsin is being forced to deal with a shortage of necessary specialized care. Wisconsin is severely lacking in infant care and care for sick children, the latter of which is needed because the majority of parents who move off of W-2 into a work situation are unable to take a day or two off to care for their children when they become ill. In early 1998 A-Hand-To-Hold Day Care Center received $20,000 of W-2 money because the center is attempting to create more care for both infants and sick children (Holly, 2/23/98). Wisconsin is also lacking child care for W-2 participants whose jobs occur beyond standard office hours, in what are referred to as the third and fourth shifts.

In addition to these problems with child care for working mothers, Wisconsin has had some problems with child care for teenage parents attending high school. Many teenage mothers have had problems receiving child care benefits, although under W-2 law if a teenager is attending school they are eligible for child care. Due to this lack of child care many young mothers are missing school or dropping out because they are not being provided with the child care the law guarantees (Huston, 3/24/98). For those who are receiving child care, it has often come at a high price – between $44 and $63 a week depending on the type of care (Huston, 8/22/98). It has been suggested that it is virtually impossible for teenage mothers to attend school full time, raise their children, and find enough money to pay for the child care that is being provided while they are in school, the difficulty thus leading some teenage parents to drop out of school altogether. Therefore, Governor Thompson's announcement to lower co-payments for teenage parents has been applauded by many. As the 1998 school year began, Thompson declared that teenage parents will pay a maximum co-payment of $5 a week, some paying as little as $3, depending on the type of care they received (Huston, 8/22/98). While these reforms are intended to encourage teenage parents to finish high school, they do not allow for the state to provided assistance to teenagers not attending high school, even in cases where extenuating circumstances may exist.

With the exception of high school, it is extremely difficult to pursue an education while participating in Wisconsin Works since the program requires that everyone work to receive their benefits. Within Milwaukee 16,000 women, at one welfare agency alone, dropped out of college over a three year time span in order to fulfill the work requirements established in W-2 (Gardner, 11/18/98). While Madison Area Technical College had an enrollment of 6,455 welfare recipients for the 1994-95 school year, with the full implementation of W-2 and the new work requirements enrollment was down to 274 at the beginning of the 1998 school year (Johnson, 2/8/98). In 1998 a proposal was made to count up to 15 hours of higher education class time towards the 30 hour per week work requirement that W-2 participants are required to meet, but failed to become law (Johnson, 2/8/98). W-2 actually makes earning a higher education more difficult than it was under AFDC. The lifetime grant available to program participants for education is limited to $500, but this is only available if the participant has $500 of their own in matching funds (Moore, Winter 1997). Additionally, the education grant and additional child care which those pursuing higher education can receive only become available to W-2 participants after they have spent nine months working full time (Johnson, 2/8/98). After the first year of operating under Wisconsin Works, the five private W-2 agencies in Milwaukee are attempting to alter the law so that W-2 participants will be able to attend school or training programs full time while still receiving cash assistance. The agencies have found that if participants are to find permanent jobs they need more education or training than W-2 provides, as many people are lacking basic skills needed to become independent, such as literacy (Evans-Campbell, 10/17/98 and Huston, 9/16/98). In a position paper jointly issued by the agencies it states that "The current aggregation of training and education hours is grossly insufficient to move individuals to an education level acceptable to most employers," (Huston, 9/16/98). By refusing to allow participants to pursue higher education the Wisconsin program is limiting the possibilities which could exist for welfare recipients were they to receive a college degree. Additionally, W-2 is leading to its own ineffectiveness by denying people the opportunity to learn the skills necessary to keep a job.

In implementing Wisconsin Works the state is committing to spend millions more on welfare than it has under AFDC. *The London Independent* has referred to W-2 as "the greatest expansion in welfare since the New Deal. . . under cloak of the remoralising of the poor by making them work, vast sums have been channelled into helping them," (Tonybee, 11/24/97). While Wisconsin maintained a steady spending rate on AFDC in the late 1980s, with the implementation of new welfare programs spending has increased 103% since 1994, with a 43% increase occurring between 1996 and 1997 (Wolf, 3/11/98). In 1997 Wisconsin received $318 million of federal funding for W-2, $40 million more than the previous year. The state also received increased child care funding (Dresang, 10/1/96). The total Wisconsin Works budget has increased 40% over the funding for AFDC in previous years, with the amount spent on each individual family increasing 60% to $15,700 each year (The Economist, 11/1/97). Clearly, the transformation from the AFDC benefit system to Wisconsin Works workfare program has provided the state with the opportunity to utilize extensive new funding in multiple programs, including numerous support programs for W-2 participants.

While numerous difficulties have arisen with the implementation of Wisconsin Works, this does not make the program a poor one. Even with these challenges W-2 has facilitated vast changes in the number of people receiving welfare. In order to fully understand the repercussions of the law the various outcomes of this program must be examined. Only in doing this can it be determined whether the program will generate an overall positive or negative result.

The Early Results

The implementation of Wisconsin Works has created various results in the manner in which welfare is viewed in the state. Welfare roles have dropped continuously since Governor Thompson began implementing the precursors to W-2 when he took office. However, decreasing welfare roles do not, in and of themselves, mark a successful program. Much concern has been displayed by liberals over what has happened to the people who have left the roles. For, if welfare roles are decreasing but poverty and homelessness are increasing W-2 is not actually serving the purpose of a welfare program, which is to provide government assistance to families to prevent them from living in poverty. The W-2 program results provide some insight into whether or not work requirements will improve the lives of those receiving welfare.

Wisconsin has not had an increase in the number of people receiving welfare since the election of Governor Thompson, which is extremely impressive since most states saw their rates increase drastically in the early 1990s. However, with the implementation of Wisconsin Works, rates have begun to plunge at rates never before seen. During the first seven months in which W-2 was fully implemented, the number of welfare cases receiving cash assistance from the state dropped by 20,182 families, a 59% decrease to 14,309 families. In Milwaukee, the number of cash assistance cases decreased by 47% in the same period, an impressive rate considering that 86% of the welfare cases in Wisconsin exist within Milwaukee (Dresang and Sharma-Jensen, 3/31/98). In February of 1998 only 12, 028 families were enrolled in W-2, one third of those cases being non-cash assistance cases in which participants received only state subsidies for things such as child care and transportation (Dresang and Sharma-Jensen, 3/31/98). In the ten years between 1988 and September 1998, Wisconsin saw its caseload fall almost 90% which, when compared to the 23% drop occurring nation wide makes it clear that Wisconsin's tough work requirements probably had a good deal to do with this drop (Dresang, 2/4/99).

While the declines in the welfare roles in Wisconsin are impressive, they do not provide any indication of what happens to W-2 participants once they leave the roles. In 1997 Wisconsin took its first look at what was happening to the people leaving the welfare roles and the state optimistically conjectured that 75% of former W-2 participants were employed in the private sector, however this numbers appears to be somewhat higher than the reality (Cohen, 4/21/97). John Pawasarat, the director of the Employment and Training Institute at the University of Milwaukee at Wisconsin, recently conducted a survey of 8,500 recently closed W-2 cases. The individuals involved in Pawasarat's survey may be receiving support services from the state, but they are no longer receiving cash assistance (DeParle, 5/7/97). Pawasarat could only find follow up information of 69% of the individuals, these being people still receiving support services, such as child care and health subsidies, and food stamps. Of the 69% whom he located, Pawasarat learned that only 68% were currently working, meaning that only 3,988 of the 8,500 individuals could be confirmed as working (DeParle, 5/7/97).

In early 1999 Wisconsin released a comprehensive survey on the status of former

W-2 participants, which demonstrates that leaving W-2 has generated both positive and negative results for families. Again, Wisconsin could only contact 69% of the former recipients they tried to reach, however this is a relatively high rate in comparison with other states (DeParle, 1/15/99). Only 62% of the individuals surveyed were working when they were surveyed, although 83% had been employed at some point during the year leading up to the survey (Breslow, 3/99). Unfortunately, an exit from welfare has proved to be no escape from poverty, as many of those surveyed reported difficulty in paying basic living expenses (Post-Gazette, 1/20/99). Paying the rent is a problem for 37% of those surveyed, while 47% are having difficulty paying utilities, and 32% are struggling to buy food (DeParle, 1/15/99). Of the former recipients who are employed many are earning more than the minimum wage with the average wage being $7.42 an hour. If an individual is earning this in a full time position they will earn $13,600 in a year, which is only slightly below the official poverty level. However, with the Earned Income Tax Credit working families could rise above the poverty level (DeParle, 1/15/99). Unfortunately, 68% strongly agreed or agreed with the statement that they were just barely making it from day to day. At 47%, not even half of those surveyed had more money than when they were receiving welfare (DeParle, 1/15/99). However, only 29% were inclined to agree with the statement that life was better when they were receiving welfare (Breslow, 3/99). Clearly, while W-2 has moved numerous people off the welfare roles in Wisconsin it has not been able to eliminate need among former W-2 participants.

What many liberals view as a lack of positive results in these studies has led to criticism of the private W-2 agencies that are responsible for placing W-2 participants in jobs. Milwaukee's mayor, John Norquist, addressed this issue a letter to Governor Thompson and Wisconsin's Secretary of Workforce Development, Linda Stewart. According to Mayor Norquist, W-2 agencies should be held "accountable for getting participants out of poverty and into full-time, private sector jobs. . . The program's current incentive is to hold down costs in order to maximize profits. That creates pressure to reduce caseloads, which is okay, but without necessarily getting anyone out of poverty through work, which is not okay," (Huston, 11/26/98). In the current system, when agencies serve less people they are left with a larger amount of unspent funds and therefore have larger profits, all of which is worked out using a complex formula. Instead of this, Mayor Norquist proposes that agencies profits should occur in a ratio with W-2 participants earnings – the more the workers earn, the more the agency profits, however when workers struggle with low wages and poverty the agency will suffer as well (Huston, 11/26/98). An additional problem that has occurred with private agencies is the mis-administration of W-2. Legal Action of Wisconsin Inc. has claimed that Maximus Inc., the only for profit agency administering W-2, has violated W-2 policies (Dresang, 12/13/97). Specifically, Maximus has been accused of not notifying families before cutting their assistance off, converting families from AFDC to W-2 without going through required steps such as doing individual assessments and creating work plans, and denying cash benefits to eligible individuals (Dresang, 12/13/97). While it may be possible to administer welfare benefits through private agencies, it may not be the best option, as private agencies may not always be motivated by the best interests of the program participants or the state.

In the fall of 1998 Wisconsin found that after a year of full W-2 implementation, not a single county in the state had spent the entire amount of money that had been budgeted for the program. Originally, the state came in $178 million under budget, however by November that number had increased to over $200 million and was continuing to grow (Kane, 10/6/98 and Huston, 11/2/98). According to Representative John Gard, one of the co-chairmen of the Legislature's Joint Finance Committee, the state purposely over-estimated the number of people who would utilize W-2 and the costs of the program. "We wanted to make sure there was enough money built into these contracts so that if the caseloads didn't drop, county taxpayers were not left holding the bag," Gard said (Huston, 10/16/98). However, others do not feel that the surplus is in any way justifiable. John Goldstein of the Milwaukee County Labor Council has said that it is a "travesty" to have such a large surplus when there are people who are struggling just to get by now that they are off of public assistance. Goldstein urged people to be "more than a little angry" about the excess of funds (Huston, 10/29/98). Representative Annette Polly Williams feels that the surplus is an indication of the failure of the state to serve all the needy families in Wisconsin, while Senator Gwendolynne Moore has called the surplus "a shame and a sin" since many mothers have been unable to get childcare which would allow them to attend school and work; and many parents do not even have the basic skills needed to become, and remain, employed (Kane, 10/6/98 and Huston, 10/4/98).

The W-2 surplus is not just being criticized by those outside of the program. W-2

Supervisor James White said, “What they call profits to me is money that was supposed to be spent on families, but they didn’t have to spend it because they closed their cases. Now they need to take profits to do what they were supposed to do in the first place,” (Huston, 11/2/98). This is where the debate begins about what should be done with the surplus. Many people agree that the money should be reinvested in expanded W-2 programs, however most of the surplus funds have been marked as ‘community reinvestment funds’ which may only be used in services that do not duplicate the services provided under W-2 (Huston, 10/16/98). Thus, while Wisconsin desperately needs to increase child care services, particularly in Milwaukee, programs to do so must be designed in such a manner that they do not replicate current W-2 child care programs. Possible programming uses for the surplus include increased education and training opportunities, in particular creating a program which will allow for W-2 participants to pursue a college education; housing assistance as many W-2 participants are having difficulty paying their rent; and expanded funding for transportation services (Huston, 10/4/98). The surplus provides the opportunity for Wisconsin to invest in particular areas which need alteration to better serve the program participants.

As Wisconsin Works progresses the problems with the program emerge, some anticipated and some unexpected. One of the major concerns with workfare programs that has existed since their inception is the difficulty that will come with implementing this program during an economic downturn. W-2 has been implemented under the ideal circumstances of a vibrant economy. In 1997, Wisconsin had an unemployment rate as low as 3.6% some months. A labor shortage of this type has not existed since World War II (Lank, 10/26/97). With this scarcity of labor, W-2 has been able to provide needed workers to many businesses. However, the economy does not always perform so well and workers are not always in demand. Thus, the question arises of what will happen to W-2 participants in an economic downturn. With a larger labor pool to choose from, what will encourage employers to hire W-2 participants when there are other, more qualified applicants (Lank, 10/26/97)? This is a question that cannot be answered until the economy actually takes a downward turn, however it is a situation which has not been addressed by W-2, and has only been touched on lightly by the federal government.

In addition to this possibility, Wisconsin Works has run into two other significant problems. First of all, W-2 has only been able to help alleviate poverty among a portion of the program participants which means that there are still numerous people struggling with poverty even though they are working and receiving some government subsidies. Secondly, homelessness seems to be an unanticipated fallout that has occurred with the implementation of W-2. In 1997, the *Milwaukee Journal Sentinel* reported that "the fastest growing segment of Milwaukee's homeless population [is] former welfare recipients who work full-time but can't afford to keep their families in housing" (Huston, 11/17/97). While W-2 has helped provide many participants with jobs, the jobs do not pay enough for families to cover their rent, utilities, and food costs. Thus, many families find themselves in Milwaukee's homeless shelters despite their employment (Huston, 11/17/97). By 1998, some single parents had given up on being able to earn enough to support their families and had sent their children to live with relatives while the parents sought shelter in homeless shelters (Huston, 12/12/98). However, since these parents are trying to find employment they are considered to be successful W-2 participants, regardless of the fact that they have dismantled their families. Evictions continue to rise as more and more people leave W-2 but are unable to support themselves. For some it may be that the jobs people have found do not provide enough income to live off of, while others have been unable to find or keep a job and have no way to support themselves (Sandler, 2/19/99). Wisconsin recently released figures comparing shelter data from 1997 with 1998, which demonstrated that 31% fewer families reported receiving cash assistance from W-2, 52% more families stated that they were evicted from their homes, and 145% more families reported receiving no income at all (Huston, 1/3/99). In response to this problem, the Shelter Task Force in Milwaukee has asked to have W-2 caseworkers placed in the shelters so that they can work with the W-2 participants there to improve their situation (Huston, 1/3/99). However, simply having W-2 workers present will not solve the problems that many of these homeless have, for they cannot address the problems of low-wages, high rent, and families to support.

Wisconsin has set forth an amazing example in welfare reform. In pioneering workfare, Wisconsin has taken into account many of the difficult aspects for welfare recipients. Wisconsin Works is a more progressive program than TANF demands, going above and beyond the federal requirements for many significant areas for single parents: child care subsidies are guaranteed to all low-income working families, not simply W-2 participants; similarly health care is available to all families receiving W-2 and some families that are not; W-2 provides training and specialized help for program participants that cannot function in the private sector on their own. However even this plan, which is far more expansive than those the federal government demands other states create, is unable to serve the needs of the entire welfare population. There are the thousands of people who have moved off the welfare roles and seemingly disappeared. There are those who have jobs but are barely able to make ends meet. Then there are those who have found jobs but have lost something else in the process, their homes, their children. Wisconsin Works does, to a certain extent. But there is still much room for program improvement which could lead to vast lifestyle improvement for former welfare recipients.

The Future of the New Welfare System

Program Problems and Future Improvements

The signing of the Personal Responsibility and Work Opportunity Act of 1996 began a new era in United States welfare. The hope is that this new era will prove to be more successful in helping the impoverished of the United States provide for themselves than Aid to Families with Dependant Children was throughout the twentieth century. As the 1996 law did not go into effect until August of 1997, it is still too early to determine what will result from the new welfare system, which is led by Temporary Aid to Needy Families. Some early indications of the impact national reform will have may be gleaned from the Wisconsin welfare experiment that began in the late 1980s.

While Temporary Aid to Needy Families aims to develop a strong work participation program, the recent results of the Wisconsin Works program demonstrate the numerous problems that are likely to be encountered as TANF becomes fully implemented. The first hurdle that is being faced in TANF is the placement of numerous low-skill welfare recipients in either public or private sector jobs. While there are numerous job opportunities available in the current economy, it is virtually impossible to match every welfare participant to a job. Much of this is due to the difference in skill level which exists between those seeking employment and that required in the available positions. Nearly all welfare recipients are low-skill workers, which greatly limits their employment opportunities; conversely most potential employers are seeking workers with previous experience. As has been clearly illustrated in Wisconsin, particularly in the urban center of Milwaukee, there are numerous applicants for every available low-skill job. This does not bode well for the condition of welfare recipients in an economic downturn, as there will be even fewer opportunities available for them. Of course, different states are implementing welfare to work programs in distinctly different manners. Although the possibility of requiring states to provide government created jobs for welfare recipients that are unable to find work in the private sector was suggested, it was removed from the legislation before the law passed. The states which choose to provide government created employment may have more success in placing welfare recipients, however, the government cannot create a position for each person receiving welfare.

One of the unexpected casualties in the welfare to work transition have been the welfare recipients who are skilled enough to go through the process of looking for a job and are actually hired, but proceed to lose their job after only a short period of employment. While this has occurred with numerous people in Wisconsin, there have not been any proposals on how to help these people gain the skills which would allow them to maintain a job. This is an extremely difficult situation to deal with because people lose their jobs for various reasons. The real challenge comes in determining what leads these apparently well-functioning adults to be able to work within the framework of the welfare-to-work system for a certain period of time, but eventually become unable to work within it. For some it may be a difficulty with the discipline and repetition that come with some of the jobs, for others it may be an inability to function well in a position because of a lack of skills – an unacceptable literacy level or inability to compute mathematically. While it is difficult to identify the causes of job loss in these welfare recipients, it is even more challenging to attempt to create a program that will be able to alter the behavior of these recipients, particularly if these recipients need to be meeting work requirements while participating in behavior modification programs.

For those program participants that are able to find and maintain a job there is the possibility of utilizing the highly touted Earned Income Tax Credit. This is a program for reducing poverty among low-income families by providing several thousand dollars to families whose yearly earnings are below the poverty level. The fact that the EITC, when combined with full-time employment, can bring a family above the poverty line has been declared by many to be the way out of poverty for low-income families. The only problem that exists with this scenario is that people need to know that the EITC exists in order to utilize it. Most impoverished families are not particularly familiar with tax law. Nor do many have bank accounts, as they do not have any money to save, so they do not receive information about the EITC from a financial center. While tax credits, such as the EITC, are extremely difficult to create awareness about and encourage utilization of, they certainly do have the ability to increase the income of many families to the poverty level or above. Campaigns to promote the EITC need to be undertaken, with information about the program prominently placed in lower-income neighborhoods and at check cashing businesses, where many low-income families are likely to do any banking they have. With increased awareness about the EITC, numerous low-income families could significantly increase their yearly income, many to an amount above the poverty level.

The work requirement in the new law has been acclaimed by many people as the necessary impediment which separates those who need welfare from those who have been receiving it simply because it has been available. The diversionary tactics utilized in Wisconsin have cut the number of new enrollments in Wisconsin's welfare program drastically, however this significant decrease in welfare enrollment may not be as positive a change as it has been depicted to be. While diversionary tactics reduce the number of people enrolling in welfare, they may not simply weed out the people who are using welfare when they could be working. It would seem that there should be some concern about diversionary tactics preventing some people, who need the support of welfare, from obtaining assistance. While it is beneficial to have a obstacle or two which eliminate unnecessary enrollees, the conditions should not be so difficult or complicated that they discourages those who truly need government assistance from applying for it. This, of course, creates a difficult predicament in delineating between what is too regulatory and what is too elementary. The divisive condition needs to be firm enough to discourage some applicants, however it should not be so difficult that it dissuades the hard-to-serve recipients from applying for welfare.

For those who are deterred by the conditions that are involved in receiving government assistance, what options are left? This is the question being raised as thousands disappear from the welfare roles in Wisconsin. It appears that many of the families leaving welfare may be utilizing jobs they secretly held in the past to supplement their welfare checks or moving in with friends and family when they are no longer receiving welfare (DeParle, 5/7/97). Of the people who are moving in with friends and relatives, or doubling up as it is also known, there is the question of whether this is due to an unwillingness to work or an inability to work. If people are moving into other peoples homes in order to avoid going to work, their forced exit from the roles may seem rational to some. However, if people are being forced to move in with others because they do not have the skills to function in the private labor market, it would seem that there is something wrong with the program which is cutting their government assistance. In *National Review* Brian T. Kennedy has argued that when "faced with significant reductions or even termination of cash benefits, most welfare recipients alter their behavior – whether by performing community service, moving in with relatives, getting married, obtaining a private-sector job, or some combination of these," (11/24/97). However, this does not address the fact while people might be encouraged to alter their behavior, it may be for the worse. If living in poverty with numerous families in a single dwelling home or committing to marriage in an unstable or abusive relationship is progress since people are no longer on state welfare roles, the manner in which welfare is viewed in the United States desperately needs to be reconsidered. Under no circumstances should the number of people on the welfare roles become more important than the situation in which the poor in this country are living. As Jason DeParle has pointed out, "With welfare and without it, the familiar struggles remain: families in poverty and children without fathers. In the end, it might prove easier than anyone imagined to change welfare, and even harder to change people's lives," (12/30/97).

Some people are not lucky enough to have family or friends who will help with finances or living arrangements when government funding ceases. These are the families who become the homeless population, seeking refuge at already overflowing shelters. This is the progress of welfare reform: eliminating government benefits and leaving families to fend for themselves when they cannot afford a roof over their head, even though they may be working. It is not as if there are not possible solutions to the problem of homelessness, however few cities are willing to make the effort to ensure that a family has a roof over their head once they have left the welfare rolls. After all, the statistics are what matter most in receiving next year's funding. There is a desperate need for housing subsidies to be distributed through the welfare program, because no family should have working parents but no home. Welfare programs, however, have not even begun to address the issue of housing. While subsidies for child care and health care are being provided through W-2, housing subsidies do not seem to ever have been considered as a necessity for the welfare families. The provision of housing subsidies would dramatically increase the number of families who could pay their rent without difficulty. Housing subsidies are not the only option for the new homeless working class that has begun to develop in Wisconsin. Increased transitional and low-income housing should be made available to the working poor. Somehow the possibility of providing housing to the impoverished is overlooked in the options which are considered to help those struggling to make it on welfare.

One of the major incentives in Wisconsin's welfare reform is the provision of affordable child care to welfare recipients and all low-income families in the state. This is one of the most encouraging alterations that has been made to the welfare program – the addition of the child care block grant to allow states to expand their child care programs. Unfortunately, the child care block grants are given to a state whether or not a state provides child care to welfare recipients, and the law does not require that states do so. Currently, most states are attempting to provide child care to their working welfare recipients, however, since this is not required by federal law this could be changed at any time. It seems likely that in an economic downturn, it will be more important for states to disperse cash benefits than provide child care to parents that are working. Since child care may seem expendable to some, it would be ideal for the federal law to be altered to mandate that states provide child care to welfare recipients. Working parents should have an assurance that if the economy becomes unstable they will still be able to receive subsidized child care without an increase in costs.

The provision of child care is a very difficult issue to address because of the numerous aspects involved. Even though many states are trying to include affordable child care in the welfare programs that are being implemented, the cost of child care is still limiting to some families. Although subsidies drastically decrease the amount of money which families must spend on child care, the co-payments which many states require are still too high to be feasible for many families, particularly if there is only one family member working and there are numerous children. Even if a family is able to afford child care, there are problems with child care shortages in many states. Although the money now exists to provide child care to those receiving welfare, there are not enough licensed child care providers to care for the large influx of children that has occurred due to the new work requirements. Additionally, many workfare participants work outside of the typical eight hour work day, during which it is extremely difficult to find childcare. In order for child care provision to be successful, care must be provided for everyone that needs it, it must be provided at a rate which is feasible to someone who is earning minimum wage, and parents that work outside of the typical work day must have access to it.

In order to increase the success of welfare recipients in the private sector of society, welfare recipients need to be treated as if they are people. If case workers work on an in-depth level with program participants over a large span of time they may find this leading to greater success. Instead of simply helping a recipient find a job or access subsidies for which they are eligible, a caseworker could develop a strong relationship with the client which, in turn, might encourage them to look out for the best interests of the client. The caseworker might help the client utilize their strengths in finding employment, track difficult situations in the client's personal life, and simply be more motivated to work with the welfare recipient to create a life improvement. In return, welfare participants might flourish under this individual attention. As Polly Toynbee has emphasized, "Most experts now think that almost whatever you do to give individual personal attention to the poor has good results" (11/24/97).

The Most Significant Issues

While TANF has made numerous changes in determining eligibility for welfare and the manner in which it is distributed in the United States, the program is only focused on reducing the number of people on welfare. One of the most important issues when aiming programs at those receiving welfare is to address how welfare programming how help improve the situation in which these individuals live. While TANF has placed a strong emphasis on moving welfare recipients into the workplace, the program does not discuss how this will better the situation of those who have been receiving welfare. The issue of poverty is not addressed in any manner in the Personal Responsibility and Work Reconciliation Act of 1996. This raises the question, is the goal of welfare in the United States to provide an opportunity for recipients to move out of poverty or is it simply to lower the number of people on the welfare roles? While lowering the number of people receiving government assistance may seem to be an admirable goal, the resulting realities of increased homelessness and poverty among working families should not be deemed an acceptable price to pay for these lower roles. The cost of successful welfare reform may not actually be in the billions of dollars that the federal government is investing in the new TANF program, but in the obvious lack of value placed on some of the most important people in society: children and their parents.

Clearly, the 1996 welfare reform does not mark the first occasion in which too much emphasis has been placed on the individual and too little emphasis has been placed on the society which has shaped that individual's existence. Welfare programs in the United States have always focused on the fault of individual welfare participants. This focus encourages the stigmatization of welfare participants as people who have failed because of who they are as individuals. However, the fact that the United States has created a culture which prevents some individuals from being able to provide for their families is often overlooked. If an individual is earning the minimum wage in a job which does not provide health benefits they cannot be expected to be able to make ends meet. The failure of the United States to provide living wages and necessary support programs, such as child care and health care, have created difficult economic times in many working families. It is during these times that welfare provides necessary economic support which allows many people to get back on their feet. The need for welfare must, in part, be attributed to the structure of the working environment in the United States. For it is not individual fault, but rather the lack of focus on the ability of all individuals to be able to support their families through employment which has caused the need for welfare.

The reason for which people become dependant on welfare in the United States is not actually very complex. While it may appear that people use welfare for various reasons, there is one factor which exists in nearly every welfare recipient: a lack of education. In the majority of welfare cases, education could dramatically improve the situation of the individual receiving welfare. For it is the lack of education which prevents people from being able to find work which will allow them to support their families. Basic literacy and mathematic computation skills greatly increase the number of opportunities available for people seeking employment. A college education increases the demand for an individual exponentially. The fact that the welfare system in the United States does not focus on the need to improve the education levels of the unemployed points to the greatest downfall in the welfare system. Not only does an education provide an opportunity for individuals to find and maintain employment, it provides an opportunity for families to move out of poverty. Education is not only the key to finding employment, it is the key to finding a job that pays more than the minimum wage, a job that will allow a worker to support their family.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 does not encourage welfare participants to become successful by increasing their education level. In fact, the law makes it more difficult to pursue an education than it has been in the past. By focusing on work rather than education, the United States is encouraging people to find a job to be able to move off of the welfare roles, then struggle with finances continually for the rest of their life. If education were the focus, people would be able to develop skills that would help them succeed in the work place and facilitate a move out of poverty. While it is understandable that the capitalistic society in the United States is much more willing to provide welfare programming in exchange for work, in order for the welfare system to help those who rely on it, welfare programming must be provided in exchange for educational training. For it is education that provides individuals with the skills to move off of welfare and out of poverty.

Raising a Nation Out of Poverty

Welfare has undergone a massive transformation with the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The dramatic changes that have occurred due to the law will have vast ramifications which can only be speculated about at this point. However, some important lessons can be learned by examining the Wisconsin Works program, considering the similarities between W-2 and the 1996 law.

It is clear that TANF will most likely induce a large exodus from the welfare rolls because, as Robert Rector has pointed out, “The Milwaukee experience shows that it’s far easier to reduce welfare dependancy than anyone imagined. All there is, is a simple work requirement,” (DeParle, 5/7/97). However, what is just as clear is that many of the people who leave the welfare rolls will not find employment that will allow them to be able to support their families. While the idea of moving people off of welfare rolls and into the private sector is a very appealing plan, the program promoting this action does not have the provisions which are necessary to allow people to live successfully on their own once they leave the roles. The necessity of increased child care subsidies, health care subsidies, and housing subsidies are evidenced by the difficulties people are having with each of these as they leave the rolls in Wisconsin. As the surveys of Wisconsin residents indicate, “Poverty persists for many who leave welfare behind. . . There are several steps that could make a difference: a higher earned income tax credit, a lower state and federal tax burden for those with low incomes, more generous medical-assistance programs and more affordable childcare" (Pittsburgh Post-Gazette, 1/20/99).

While increased government funding and subsidies may provide some relief to some of those receiving welfare, they do not allow for the welfare recipients to dramatically improve their lives. In order for families on welfare to be able to be successful in the United States, the welfare program needs to be restructured to emphasize the importance of pursuing an education. Specifically, if mandates for the poor to perform work in exchange for welfare benefits are to remain, educational hours must be allowed to qualify toward weekly hourly work requirements. If this is applied in combination with expanded financial aid to welfare recipients, in the form of subsidies, welfare may actually be able to improve the lives of those who utilize it. Without these expansions in the welfare program, individuals will be unable to move their families out of poverty. In that case, the United States may be held up to the world as one of the greatest examples of the failure of a nation to provide for those who are unable to provide for themselves.

Works Cited

"Wisconsin Works" poem excerpt from Adler, Francis Payne, Ed. *Education as Emancipation: Women on Welfare Speak Out.* Creative Writing and Social Action Program at California State University Monterey Bay: 1998.

"Where Wisconsin Goes, Can the World Follow?" *The Economist.* Pg. 25: November 1, 1997.

"Wisconsin Works. . . Or Does It? A Mixed Report Card for a Pioneering Welfare Plan," *Pittsburgh Post-Gazette.* Editorial Pg A14: January 20, 1999.

Baratz, Morton and White, Sammis. "Childfare: A New Direction for Welfare Reform," *Urban Studies*. Vol. 33: Issue 10; pgs 1935-1944: 1996.

Bice, Daniel. "Committee Approves Increased W-2 Grants," *Milwaukee Journal Sentinel.* Pg 1: June 6, 1997.

Blank, Rebecca M. *It Takes a Nation: A New Agenda For Fighting Poverty*. Princeton University Press, New Jersey: 1997.

Breslow, Marc. "Welfare to Work: Pain in Wisconsin," *Dollars and Sense.* Issue 222; pg 9: March/April 1999.

Bryner, Gary. *Politics and Public Morality.* W. W. Norton and Company, New York: 1998.

Cammisa, Anne Marie. *From Rhetoric to Reform?* Westview Press, Colorado: 1998.

Cohen, Adam. "The Great American Welfare Lab," *Time.* Pg 74: April 21, 1997.

Congressional Research Services Report for Congress. *New Welfare Law: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996.* Report number 96-687 EPW: November 21, 1996.

Congressional Research Services Report for Congress. *The New Welfare Law: Temporary Assistance for Needy Families.* Report number 96-902 EPW: November 12, 1996.

DeParle, Jason. "Wisconsin Welfare Overhaul Justifies Hope and Some Fear," *The New York Times.* Pg 1: January 15, 1999.

DeParle, Jason. "Tougher Welfare Limits Bring Surprising Results," *The New York Times.* December 30, 1997.

DeParle, Jason. "U.S. Welfare System Dies as State Program Emerge," *The New York Times.* June 30, 1997.

DeParle, Jason. "Welfare Crucible – A Special Report: Cutting Welfare Rolls but Raising Question," *The New York Times.* Pg A1: May 7, 1997.

Dresang, Joel. "Poor Do Better Here Than Elsewhere; Survey Provides Baseline for Charting W-2 Changes," *Milwaukee Journal Sentinel.* Pg 1: February 4, 1999.

Dresang, Joel. "Welfare Confusion Persists Over Medicaid, Health Care Providers Say; With Enrollment

No Longer Automatic, Many Think They Aren't Eligible for Insurance," *Milwaukee Journal Sentinel.* Pg 4: July 30, 1998.

Dresang, Joel. "Cash Welfare Caseload Drops 61% By Last Month of AFDC Counties had Fewer than 10 Cases," *Milwaukee Journal Sentinel.* Pg 1: May 8, 1998.

Dresang, Joel. "State to Check Alleged W-2 Flaws; For-Profit Agency Says Some Mistakes Have Been Fixed," *Milwaukee Journal Sentinel.* Pg 1: December 13, 1997.

Dresang, Joel. "Budget Delay Stalls W-2 Money; Increased Child Care Aid, Subsidized Jobs on Hold Because of Impasse," *Milwaukee Journal Sentinel.* Pg 5: August 7, 1997.

Dresang, Joel. "Get-Tough Tactics Lead to Welfare Caseload Cuts; Wisconsin, Two Other States Account for 72% of Reduction in U.S." *Milwaukee Journal Sentinel.* Pg 3: May 16, 1997.

Dresang, Joel. "Block Grants; U.S. Gives Welfare Plan the Go-Ahead But Medicaid Waiver Request is Among Issues that Require More Talks," *Milwaukee Journal Sentinel.* Pg 1: October 1, 1996.

Dresang, Joel and Manning, Joe. "Low Medicaid Numbers Lead to Concerns; State Officials Worried that Thousands of Parents, Kids May Lack Medical Coverage," *Milwaukee Journal Sentinel.* Pg 1: February 15, 1998.

Dresang, Joel and Sharma-Jensen, Geeta. "A Welfare Era Passes Into State History; AFDC Recipients Must be Switched to W-2 Today; Jobs Remain Elusive Goal," *Milwaukee Journal Sentinel.* Pg 1: March 31, 1998.

Evans-Campbell, Joyce. "W-2 Won't Work Without Money for Education," *Milwaukee Journal Sentinel.* Pg 1: October 17, 1998.

Gardner, Marilyn. "Welfare Recipients Face Uphill Education Battle," *The Christian Science Monitor.* Pg 13: November 18, 1998.

Gordon, Linda. *Pitied But Not Entitled.* The Free Press, New York: 1994.

Handler, Joel and Hasenfeld, Yeheskel. *We the Poor People: Work, Poverty, and Welfare.* Yale University Press, New Haven: 1997.

Havemann, Judith and Vobjeda, Barbara. "Wisconsin Moves to Cover Welfare's Day-Care Costs; Landmark Reform Program Gets $25 Million Injection," *The Washington Post.* Pg A2: December 13, 1996.

Holly, Lori. "$20,000 Donated to Day Care Center; W-2 Agency So Impressed with Group's Efforts that it Decides to Contribute Funds," *Milwaukee Journal Sentinel.* Pg 1: February 23, 1998.

Huston, Margo. "Shelter System Tracks W-2 Impact; Crisis Calls from Families have Soared Under Reform," *Milwaukee Journal Sentinel.* Pg 1: January 3, 1999.

Huston, Margo. "Mounting W-2 Sanctions Shrink Participants Checks; Area Homeless Shelters Fill as Pay Reductions Reach the Twice Projected Number," *Milwaukee Journal Sentinel.* Pg 1: December 20, 1998.

Huston, Margo. "More Women in Shelters; Group Points to W-2; Overflow Site Opens Early for Mothers Sending Kids to Live with Relatives," *Milwaukee Journal Sentinel.* Pg 1: December 12, 1998.

Huston, Margo. “Norquist Wants Reforms in Use of W-2 Profits; Mayor says Agencies Should Help People Escape Poverty, Not Just Reduce Caseloads,” *Milwaukee Journal Sentinel.* Pg 1: November 26, 1998.

Huston, Margo. “Counties May Get $40 Million W-2 Windfall; None for Milwaukee County,” *Milwaukee Journal Sentinel.* Pg 1: November 2, 1998.

Huston, Margo. “Labor Leader Criticizes W-2 Surplus; Forum Addresses How to Use $186 Million Left Over,” *Milwaukee Journal Sentinel.* Pg 5: October 29, 1998.

Huston, Margo. “Return of W-2 Surplus to Taxpayers Urged; That Would Show Benefit of Having Fewer People On Welfare, Legislators Say,” *Milwaukee Journal Sentinel.* Pg 1: October 16, 1998.

Huston, Margo. “W-2's First Year is Under Budget by $178 Million; Far Fewer People Take Part Than Expected, Raising Questions about Why,” *Milwaukee Journal Sentinel.* Pg 1: October 4, 1998.

Huston, Margo. “Agencies Urge Lawmakers to Alter W-2; Education, Cash Assistance are Needed for People to Get Jobs, Leaders Say,” *Milwaukee Journal Sentinel.* Pg 1: September 16, 1998.

Huston, Margo. “Teen Mothers Will Pay Less for Day Care, Thompson Says; High Costs of Child Care Blamed as Factor for Girls Dropping Out of School,” *Milwaukee Journal Sentinel.* Pg 1: August 22, 1998.

Huston, Margo. “Lawmakers Seek Quicker Approvals of W-2 Child Care; Wait of 4 to 6 Weeks Undermines Welfare Reform, GOP Trio Says,” *Milwaukee Journal Sentinel.* Pg 7: May 1, 1998.

Huston, Margo. “Teen Moms Denied Child-Care Benefits; Withholding Violates W-2 Rules, Forces Many to Forgo School,” *Milwaukee Journal Sentinel.* Pg 1: March 24, 1998.

Huston, Margo. “County Falls Far Behind on W-2 Child-Care Aid; Officials Say Safeguards Delay Subsidies; Backlog may be Gone by January,” *Milwaukee Journal Sentinel.* Pg 1: November 25, 1997.

Huston, Margo. “A Job But No Home; Shelters Find More W-2 Participants at Their Doors,” *Milwaukee Journal Sentinel.* Pg 1: November 17, 1997.

Jencks, Christopher. “The Hidden Paradox of Welfare Reform: Why Single Mothers May Earn More But Do Worse,” *The American Prospect.* Issue 32; pg 33: May/June 1997.

Johnson, Mike. “In W-2 and Forced Out of School; Thousands Leave Colleges to Fulfill Work Requirement,” *Milwaukee Journal Sentinel.* Pg 1: February 8, 1998.

Johnson, Gary and Silver, Christopher. “Welfare Reform, Cities, and Planners: A One-Year Post-Reform Appraisal,” *Journal of the American Planning Association*. Vol. 64: Issue 1; pgs 5-7: Winter 1998.

Kane, Eugene. “So, Where Did State’s Welfare Families Go?” *Milwaukee Journal Sentinel.* Pg 1: October 6, 1998.

Kennedy, Brian. “The Welfare Paradise; Conservative Politics on Welfare Reform,” *National Review.* Vol. 49: Issue 22; pg 30: November 24, 1997.

Kondratas, Anna. “Wisconsin Works: All Eyes Are Focused on the State’s Plan to Replace Public Assistance,” *The New Democrat.* Pg 27: July/August 1996.

Lank, Avrum. "What Happens to W-2 When Economy Stumbles?" *Milwaukee Journal Sentinel.* Pg 1: October 26, 1997.

McGranahan, Leslie. "Welfare Reform and State Budgets," *Chicago Federal Letter.* Issue 137; pgs 1-3: January 1999.

Mead, Lawrence. "Growing a Smaller Welfare State; Wisconsin's Reforms Show That to Cut the Rolls, You Need More Bureaucrats," *The Washington Post.* Pg C4: December 3, 1995.

Moore, Gwendolynne. "Wisconsin Welfare Plan Lacks Compassion, Hope," *Forum for Applied Research and Public Policy.* Vol. 12: Issue 4; Pgs 27-34: Winter 1997.

Murphy, Mary Beth. "Child-Support Collection Called Ineffective; Deadbeat Parents are the Norm, Not the Exception, and Caseloads are Rising," *Milwaukee Journal Sentinel.* Pg 1: January 5, 1998.

Murphy, Mary Beth. "W-2 Revision Touted as Saving Millions; Proposal Would Shift Program from Cash Grants to Minimum Wage," *Milwaukee Journal Sentinel.* Pg 3: January 17, 1997.

Pavetti, LaDonna. "New Welfare Reform: One Size Fits All?" *Forum for Applied Research and Public Policy.* Vol. 12: Issue 4; pgs 18-21: Winter 1997.

Rector, Robert. "Breaking the Welfare Cycle; Welfare Reform in Wisconsin," *National Review.* Vol. 49: Issue 11; pg 18: June 16, 1997.

Rector, Robert. "Wisconsin's Welfare Miracle," *Policy Review.* Issue 82; pgs 20-26: March/April 1997.
Rogers, J. J. "Making Welfare Work; Wisconsin's New Welfare Scheme," *New Statesman.* Vol. 126: Issue 4349; Pg 17: August 29, 1997.

Ryan, Richard. "Wisconsin's Toughest-In-Nation Standards Put People to Work," *The Detroit News.* Pg A18: September 21, 1997.

Sandin, Jo. "Wonderful Day in Neighborhood; $700,000 Grant Creates 2,200 New Child Care Slots," *Milwaukee Journal Sentinel.* Pg 1: May 15, 1997.

Sandler, Larry. "W-2 Agencies Urged to Set Up Rent Assistance Funds; County Board Points to Rising Number of Evictions," *Milwaukee Journal Sentinel.* Pg 3: February 19, 1999.

Sharma-Jensen, Geeta. "Not Enough Low-Skill Jobs, Study Reports; Milwaukee has 7 Applicants for Every Job, Researcher Says," *Milwaukee Journal Sentinel.* Pg 1: August 28, 1997.

Shorris, Earl. *New American Blues: A Journey Through Poverty to Democracy*. W. W. Norton and Company, New York: 1997.

Stanfield, Rochelle. "Will Wisconsin Show the Way?" *The National Journal.* Vol. 27: Issue 38; Pg 2382: September 23, 1995.

Stanford. "Of Course W-2 Workers Should Get Living Wage," *Milwaukee Journal Sentinel.* Pg 14: June 12, 1997.

Toynbee, Polly. "Message From Wisconsin: Nirvana is a Job in a Fast Food Joint; Welfare to Work," *The*

Independent (London). Pg 15: November 24, 1997.

Vobejda, Barbara. "Strict Rules, Hard Choices in Wisconsin; Welfare Changes Mean 'Job Ready' Recipients Will Lose Benefits," *The Washington Post.* Pg A1: August 26, 1997.

Walker, Scott. "Criticism of Wisconsin Works Won't Curtail Plan's Lofty Goals," *Milwaukee Journal Sentinel.* Pg 13: November 28, 1995.

Wilson, William Julius. *When Work Disappears: The World of the New Urban Poor*. Vintage Books, New York: 1996.

Wolf, Richard. "Wisconsin Works – Or Else Gets Cut Off," *USA Today.* Pg A9: March 11, 1998.