

GETTING JOBBED

The real face of welfare reform

By Virginia Sole-Smith

When I visited West Philadelphia's Employment, Advancement, and Retention Network Center in the spring of 2013, its tall white walls were covered with green and yellow stars, each bearing the name of an Achiever of the Year or a Hall of Famer—welfare recipients who had landed a job or kept one for at least six months. Running high along one wall was a slogan—"Positive thoughts attract Positive results. And We are Positive about that!"—surrounded by plus signs that bore inspirational quotations. In a corner of the room I found a yellow flyer taped to a concrete pillar. 90 DAYS OF PURPOSE, it read. The flyer explained what it called a new goal: to place clients in jobs within ninety days. "You are expected to attend every day with a 'ready to work' attitude."

The goal was in fact initiated by the government of Pennsylvania. The West Philadelphia EARN



Center and dozens of similar programs throughout the country are a legacy of the welfare-reform bill that Bill Clinton signed into law almost twenty years ago. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 rebranded the welfare system as Temporary Assistance for Needy Families, or TANF (pronounced "tanif"), and required recipients to participate in a designated set of "work activities" for twenty to thirty-five hours per week in exchange for cash assistance. Allowable activities in-

cluded community service, sweeping streets, cleaning public restrooms, vocational training, and job hunting under the supervision of an employment agency or a contractor-run program such as the EARN Center. In Pennsylvania, contractors are compensated partly according to their placement rate, with compensation dependent on how quickly jobs are secured.

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"Ninety days is really tough," Meredith McCarthy, who was then the center's director, told me after my tour.¹ "The average person takes twenty-six weeks to get off unemployment. We're working with a population that has less work history, or other life challenges. Some problems take longer than ninety days to solve." McCarthy also had to contend with employers who had their own timelines; a business might interview a client on his or her eightieth day at the center but not make a hiring decision for another three weeks. (That seemed

that day. I'd first met Rosie² a few months earlier, at an antihunger conference hosted by Drexel University. Rosie was one of half a dozen women on welfare in Philadelphia whom I followed for more than a year. Two decades after Bill Clinton ended welfare as we knew it, and facing the prospect of another Clinton presidency, I wanted to understand what life on public assistance is like these days.

Rosie was one of the keynote speakers at the Drexel conference, where she had used the same motivational phrases that decorated the walls of the EARN Center: "I always say, we're not looking for a handout, we're looking for a hand in." But when we next met, for lunch at her apartment, Rosie had lost her office job, and her mood was understandably darker. In person, Rosie was still forceful, and she still knew how to talk the motivational talk. "God will provide" was a constant refrain. But she'd lost a significant amount of weight, and she looked exhausted. We had to keep our voices down because her husband was sleeping in the bedroom upstairs after a midnight shift at the grocery store where he worked part-time. As we unwrapped sandwiches from Subway, she confessed that she hadn't eaten anything yet that day. Her stomach, she said, was killing her.

Rosie and her husband had burned through their small savings in the first few months after she lost her job. Now their family of five relied on his minimum-wage paychecks (usually less than \$600 a month), plus Rosie's unemployment (\$660) and food stamps (\$793), which, combined, brought them to around \$2,000 per month, just above the poverty line. That sum had to cover their rent (\$250), pay down several thousand dollars in delinquent utility bills, and feed their three children and Rosie's three teenage stepchildren, who

spent most weekends at her house. This was to say nothing of clothes, toiletries, cleaning supplies, and co-pays for medication.

We ate at a table in her small kitchen. Behind us, a mold stain had spread up the wall toward the ceiling. Rosie scrubbed it with bleach every week, but it always grew back. Her kitchen shelves were crowded with cereal and canned goods that had been bought in bulk or collected from the local food pantry. Rosie's favorite score was Beef with Juice, which came in no-brand cans. She drained off the juice to make gravy and mixed the beef chunks with mashed potatoes and string beans. "I know it sounds gross," she said, "but it makes a meal."

² The names of several of the women discussed here have been changed.



particularly true of employers that offered office jobs with better pay and full benefits, such as local universities.) "We'd never drop a client just because they've been here longer than ninety days," she said, "but it does get more difficult at that point." Clients who did find work within ninety days were often back in the EARN Center within a year, because the job didn't last.

One of these returning clients—a thirty-two-year-old married mother of three who had been through the EARN system in Philadelphia twice—was the reason I'd come to the center

¹ The state has since expanded the placement period to 180 days.

After lunch, we headed over to Walmart so that Rosie could stock up on food before the weekend. She rifled through coupons and read price tags with religious fervor—"This one's two-fifty, but wait, wait ... here we go, one dollar on sale"—and loaded up her cart with yogurt, spinach, more cereal, boxes of frozen waffles and vegetables, and frozen-yogurt popsicles as a treat for the kids. Thanks to her diligent price tracking, a cartful of heavy bags cost her less than a hundred dollars.

With an office job on her résumé, a strong personality, and an impressive eye for detail and organization, Rosie seemed like the kind of client whom an EARN Center might put on the fast track to employment, but it had been almost six months since her last job. Nothing since then had panned out. When I asked whether the EARN Center had put pressure on her to find a position within the first three

tance," Peter Edelman told me when I called him to discuss the current state of TANF. "By 1996, the feeling was that you had to take away that right if you wanted to push people harder to work."

Edelman is now the faculty director of the Georgetown Center on Poverty and Inequality, but his earliest claim to fame may be that he was the first person to tap Hillary Rodham Clinton for a high-profile speech, at the League of Women Voters' fiftieth-anniversary convention in 1970. Edelman remains a good friend of both Clintons, and he served as an assistant secretary in the Department of Health and Human Services during Bill's first term, but he resigned in protest over the president's decision to sign the 1996 welfare-reform bill.

One of Edelman's main objections was that cash assistance stopped being an entitlement under TANF. Instead it became a block grant,

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months, Rosie couldn't remember: "I told my employment adviser, 'I'll be out of here in two weeks!'" As we pulled out of the parking lot, she told me that she had recently cleared a drug test and three interviews for a Walmart cashier position, only to be told she was overqualified. "They thought I'd quit as soon as I got something better," she said. Since then, she had picked up a few shifts at a community center's after-school program, but she wouldn't get paid for another week.

In the meantime, Rosie clocked in at the EARN Center from Monday to Friday. In the evenings and on weekends, she scrambled to make extra cash by cleaning houses, washing dishes at Shabbat dinners and bridal showers on the Main Line, and braiding hair for people in the neighborhood. These jobs brought in an extra fifty or hundred dollars here and there, but they didn't count as one of her official work "activities" because they all paid under the table.

"When you go from working to back on public assistance—I'm not going to say I hate it," Rosie told me. "I am grateful, but I just don't want it. I want to work. I don't want all the headaches of the paperwork and sitting in the EARN Center again. It's hard to find yourself back there."

Underlying welfare was the idea that "a person had a fundamental right to assis-

which meant that the amount of money a state received did not depend on how many of its citizens needed assistance. States were also subject to various penalties for low work-participation rates. The inflation-adjusted value of TANF benefits has dropped by at least 20 percent in thirty-eight states since the law went into effect; furthermore, the law offers financial incentives for states to reduce their caseloads. The easiest way to meet that goal, Edelman told me, "is to turn people away at the door."

In Pennsylvania, a family of three can qualify for a TANF grant only if they earn no more than \$677 a month. In many states, once a person starts working, fifty cents of every dollar earned are deducted from the TANF grant. In order to emphasize the "temporary" in the program's name, the law also imposed a five-year limit on the amount of time a family can receive federal assistance. Many states instituted much harsher limits; Arizona's latest state budget will allow assistance for just one year.

In her 2003 memoir, *Living History*, Hillary Clinton wrote about how, as a senator, she hoped to improve welfare. "More money should be spent on education and training," she wrote, "and some education hours should count toward work requirements." More than a decade later, taking classes toward a G.E.D.

still counts as an approved work activity only for welfare recipients younger than twenty. Vocational training doesn't count toward most hours requirements after the first twelve months. While policies regarding postsecondary education vary widely from state to state, for the most part students seeking associate's or bachelor's degrees are expected to fit class time around their twenty to thirty-five hours a week of work activities.

Jordan, a twenty-seven-year-old lawyer with a Philadelphia-based advocacy group, is the rare example of a welfare recipient who managed such a juggling act. Although she grew up poor and became a mother at fourteen, Jordan finished high school and was accepted to Temple University, where she petitioned to live in family housing with her daughter. She

system disables people," Jordan told me. "They don't even really encourage things like education. They'd rather put you to work."

Even the few vocational-training programs that are approved as work activities don't guarantee financial stability in the current job market. Charlene, a single mom in her thirties, learned this the hard way after she attended a program to become a medical assistant. She had to repeat the course when it turned out that the school she had attended wasn't accredited, which rendered her certificate useless. When she finished the course the second time, there weren't any jobs to be found. "I graduated to the same poor wages," she said. "The week after school ended, I was putting in applications at McDonald's and the Olive Garden."

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paid for college and child care through a mixture of scholarships and loans, and took a part-time job on top of her course load, but she still depended on food stamps and TANF to cover her basic expenses.

"I was still functionally poor and I needed those benefits to survive," she said when I went to her office, which was decorated with a school photo of her thirteen-year-old daughter. "There were definitely times when I wanted to drop out. I remember looking for jobs my sophomore year. But I wanted to provide for my daughter to give her more than what I had."

The welfare office was less impressed with Jordan's commitment to education and initially tried to disqualify her by claiming that her academic financial aid caused her to fail their "asset test." In Pennsylvania, you can't receive TANF benefits if you have more than \$1,000 in bank accounts, bonds, or other assets. But Jordan couldn't use her financial aid to buy groceries or her daughter's clothes. To get around the asset rule, she strategically avoided depositing her financial-aid checks until after her benefits had been renewed.

Eventually, after Jordan graduated from college, entered law school, and began working as an advocate for other teen parents, she stumbled across a provision in TANF that should have allowed her to keep most of her financial aid and her welfare benefits. But nobody in the welfare office understood the provision. "The

Since Charlene had already been through one vocational-training program, welfare wouldn't pay for her to train for a different certification. She found a minimum-wage job as a nutrition assistant and continued to live in public housing while relying on food stamps, which frequently ran out before the month was over. This still felt, she said, like a step up from her earlier dependence on a \$403 monthly welfare check and from living at her mother's, where eight family members shared three bedrooms. "If I could afford it, I would go back to school and open a restaurant," Charlene told me one night when we took her daughters to try out for a neighborhood cheerleading squad. "Food, nutrition, that's my passion." She often sold dinners out of her apartment to bring in extra cash, and she planned to do that again to raise the \$65 she would need to pay for cheerleading uniforms. "I want to do more and build something."

As secretary of state, Hillary Clinton often spoke about the need for greater "financial inclusion" of the poor around the world:

Talent is universal but opportunity is not... One of the biggest obstacles to making the most of everyone's talents and their hard work [is] a financial system that leaves out some three billion people, many of them women, rural farmers, small-business owners, people with disabilities, ethnic minorities.

A major unintended consequence of Clinton-era welfare reform, however, has been to push America's poor out of the formal economy. By some estimates, the underground economy now equals up to 10 percent of our GDP.

Walking around Rosie's neighborhood, I saw her rustle up at least three hair-braiding appointments while plotting how to use the next Main Line party she worked to book more dishwashing gigs. Off-the-books work helps Rosie come up with the cash to cover a bill or a child's new shoes, but it doesn't help her build any kind of long-term security, in part because it isn't recognized by the official unemployment system.

Mariana Chilton, a public-health professor and the director of Drexel's Center for Hunger-Free Communities, is trying to bring this underground economy out of the shadows with a program that would legitimize informal businesses, offering matched savings accounts and support groups to help women surmount the licensing requirements and other obstacles to entrepreneurship.

Chilton's work is part of a burgeoning domestic movement of microenterprise programs that support the development of small businesses. Research shows that this model helps the working poor; one survey found that 60 percent of participants who were living in poverty when they joined such a program were no longer in poverty a year later. Household incomes of people who participated in the survey increased by an average of 17 percent. But Chilton's program is the first to target TANF recipients. "We need to recognize all the talent and ingenuity that's already there," she explained when I visited her office, "because these are the people who could benefit the most."

The sentiment echoes the way Hillary Clinton spoke about microfinance at a 2010 U.N. summit: "I have worked on financial inclusion for about twenty years, and I'm always trying to convince bankers in the formal banking system that poor people are actually good credit risks," she said. "They are reliable and they can help drive development if given the chance." Indeed, Clinton had recognized a connection between microfinance and welfare as far back as 1997. "Whether we are talking about a rural area in South Asia or an inner city in the United States, microcredit is an invaluable tool in alleviating poverty," she said in her keynote speech at a microfinance summit that year. "Microcredit projects can create a ripple effect—not only in lifting individuals out of poverty and moving mothers from welfare to work but in creating jobs, promoting businesses, and building capital in depressed areas." And yet for all

that, her husband's welfare reform, which she'd touted a year earlier, included no provisions for microcredit.

Welfare reform has been successful by one measure alone: it has reduced government spending. In 1995, about 14 million Americans were on welfare; today, that number is down to 4.2 million. Meanwhile, the benefits received by families with no other cash income now bring them to less than half the federal poverty line, according to research by the Center on Budget and Policy Priorities. In 2014, the median family of three on welfare received a monthly check of just \$428, and other government assistance programs have seen their budgets slashed even further. For every hundred families with children that are living in poverty, sixty-eight were able to access cash assistance before Bill Clinton's welfare reform. By 2013, that number had fallen to twenty-six.

Would a Hillary Clinton presidency create an opportunity to correct the flaws of her husband's welfare reform? Would we see the Clinton who championed microfinance for the very poor and spoke to the New America Foundation in 2014 about the fact that the poorest women in America—women like Rosie and Charlene—have a shorter life expectancy than their mothers did? Or would we see her double down on block grants, time limits, asset tests, and work-participation activities that don't include education or entrepreneurship training? In the early months of her 2016 campaign, Clinton has moved further left than she ever did in 2008. She has embraced the mantle of feminism, included stories of her mother's impoverished childhood in her stump speech, and called for an end to "the era of mass incarceration," which signals a sharp departure from the philosophy behind the 1994 crime bill signed by her husband.

But President Hillary Clinton would likely face the same challenges that Bill Clinton did in the 1990s: a Republican Congress and a country that has decided that accepting government help is a sign of personal failure rather than a legal right.

"My feelings about welfare ran deep and were probably more complicated than my husband's," Hillary Clinton wrote in *Living History*, at the start of her own career in public office. "I had spent time as an advocate for children and women caught up in the system and I knew that welfare was often essential as a temporary support for poor families." But after describing Edelman's resignation and the general liberal outcry against their bill, Clinton concluded: "In the painful aftermath, I realized that I had crossed the line from advocate to policy maker." It seems unlikely that running for president will inspire her to cross back. ■