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# Why Welfare Is Still So Hard to Reform

*Thomas Corbett*

**O**ver the past decade (at least) we have witnessed major changes in the conceptual and political consensus that supports public assistance policy in the United States. In consequence, the nature of that policy has changed dramatically. The evolving consensus includes

- ❖ renewed emphasis on the obligation of recipients of public assistance to seek employment and behave in ways consistent with an independent lifestyle;
- ❖ reorientation of welfare operations from an entitlement orientation to an emphasis upon the transition of recipients from welfare dependence to self-support;
- ❖ recognition of the role of services and support for adults both within welfare and outside of welfare in facilitating the exodus of adults from welfare by means of employment; and
- ❖ appreciation of the importance of local public assistance agencies in the operation of welfare employment programs and as sources of innovation.

This evolution in the culture of welfare assumes that something is very wrong with our current approach to helping the poor. There are about 75 programs that are income tested in the United States. Welfare, in the minds of most, has become synonymous with the Aid to Families with Dependent Children (AFDC) program, created in 1935 as Title IV of the Social Security Act.

A quarter century after its inception, AFDC remained a relatively modest and obscure program. In 1960, less than 1 child in 25 received AFDC in a typical month, although more than 1 child in 4 would have been considered poor by today's standards. In consequence, only about 13% of all poor children received AFDC. The typical grant at that time was about \$108 per month. Total expenditures on benefits of a little over \$1 billion went to some 800,000 families.

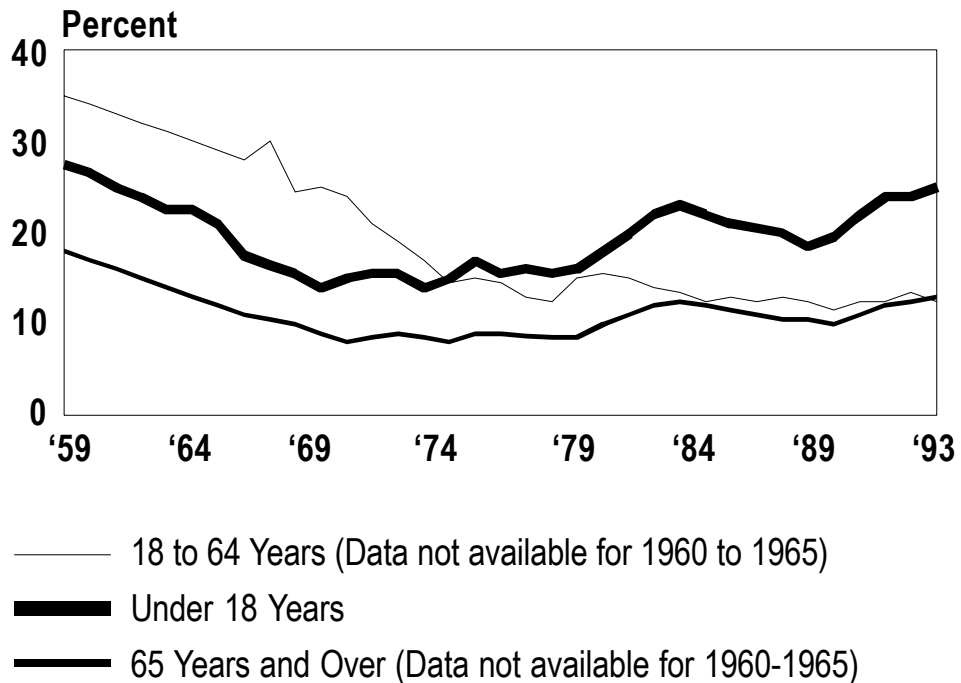
By 1992, however, over 14% of all children and over 60% of all poor children were receiving AFDC in any given month. The program provided benefits to a monthly average of almost 5 million families (14.2 million individuals, two-thirds of whom were children). The AFDC caseload now represents about 5% of the total resident U.S. population.

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What had been a small and noncontroversial provision of the Social Security Act gradually became a symbol for all that is wrong with the welfare state. In effect, the program persisted as the world changed. The composition of the caseload was transformed from one that easily evoked sympathy and concern to one that generated apathy at best, antipathy at worst. In the early 1940s, there were as many widows on ADC as there were women who were divorced, separated, or unmarried. The number of widows on the rolls dropped by a third by the end of that decade and constituted about 7% of the caseload by the early 1960s. Second, societal expectations about the role of women changed dramatically. Following World War II, less than 20% of mothers worked; now two-thirds of women with children are in the labor force. Third, a demographic earthquake has occurred in recent decades. The number of children in single-parent homes rose from about 8% in 1960 to over 25% today. Births to unmarried women increased from about 5% of all births in 1960 to 11% in 1970 to 18% in 1980 to about 30% at present. Demographers estimate that over half of all children born today will spend some of their childhood in a single-parent home. Finally, poverty among children has worsened. In 1993, 15.7 million children lived in poverty, yet in 1978 the number of poor children was less than 10 million. (See Figure 1 for poverty trends over time.)

**Figure 1. Poverty Rates, by Age: 1959–1993**



## The Failure of Welfare

Conservatives believe that AFDC destroys initiative and discourages work and marriage. Liberals argue that it offers inadequate benefits while robbing individuals of their dignity and self-esteem. Recipients feel degraded and trapped by a system that offers no reward for their efforts to be self-sufficient and that gives them little control over their lives. Taxpayers increasingly decry spending what appears to be an increasing amount on a program from which they see few positive results. Few, it would appear, defend the system. A 1992 national survey found that 9 of 10 Americans believed that the welfare system should be changed. This opinion was held by Blacks (81%) and Whites (92%), conservatives (92%) and liberals (89%), and the more affluent (93%) and the less affluent (87%). Republicans and Democrats responded in like fashion (both at 89%).

Why is it so unpopular? The short answer is that welfare is fatally flawed as an antipoverty strategy. That flaw is observed in the very concept of a welfare program. Basically, welfare programs are public transfers with two distinguishing characteristics: (a) the benefits can be received in the absence of work, and (b) the rate at which benefits are reduced in the face of earnings substantially exceeds the rate we would dare impose on other members of society.

Consider the second point. Few would consider raising the highest federal income tax rate to 50%—essentially the rate that existed prior to the last major overhaul of the tax system in 1986. Rates such as 70%, which existed in the 1960s, and 90+%, which were in effect after World War II, seem confiscatory in the current political environment. Yet, if an AFDC client works long enough but does not earn enough to get off assistance, she can lose one dollar in benefits for every dollar she earns. Economists call this a 100% marginal tax rate.

In fact, the work disincentive imposed by the high marginal tax rates that characterize welfare is only the tip of the iceberg. An AFDC recipient who works might lose access to health care for her children if she is successful in working her way off assistance in a job where the employer does not provide health benefits. She might face significant difficulties in finding or keeping quality child care. And certainly, a working recipient must continually (usually monthly) report a variety of work-related data to a system obsessed with the accuracy of the benefits issued.

When potential applicants walk into a welfare office, they typically confront a hostile “culture.” Staff are neither trained nor rewarded for helping welfare applicants or recipients achieve economic self-sufficiency and personal independence. Rarely, if ever, does anyone ask clients what they need or how the system can help. The interaction between worker and client is routine and adversarial. Information is processed and institutional antennae are tilted toward screening out the

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unworthy and detecting fraud and abuse. It is difficult to integrate the roles of cop, or protector of the public purse, and people-changer, even in a “tough love” program.

The closer we look into the logic and structure of welfare, the more problems we uncover. The underlying structure of welfare is seen as creating an array of perverse outcomes—the unintentional consequences of policies enacted with the best of intentions. These adverse outcomes are the consequence of applying to welfare what in most situations would be considered quite appropriate principles—target efficiency, flexibility (or local discretion), and accountability.

When resources are scarce, it seems sensible to target benefits on certain categories of individuals (e.g., single-parent families and children) and income classes (the asset and income poor) that are most in need. The effort to achieve target efficiency, however, can often breed unintended consequences. AFDC may deter marriage or foster the breakup of existing marriages because benefits are targeted on one-parent families. It may create incentives to make counterproductive choices concerning child-bearing and family formation. A teenager can obtain her own grant, and perhaps establish her own household, by having a child. Because grants are conditioned on family size, many believe that women have additional children to increase their income; this perception persists although the average size of families receiving AFDC fell from four persons to less than three between 1970 and 1992. Savings and asset accumulation are discouraged by the program. AFDC rules render ineligible those who have or accumulate cash assets or own a vehicle of value. And AFDC creates incentives for absent parents to avoid their financial and perhaps other responsibilities to their offspring. Non-custodial parents may assume that AFDC will take care of the children with whom they do not reside. And when a mother receives AFDC, a portion of any financial contributions made by the nonresident parent largely goes to offset AFDC costs, and not to help their children.

From the beginning, the federal government has been flexible with respect to AFDC, allowing states to make key decisions about program design and administration. As a result, important aspects of the program differ from state to state. Benefit levels, for example, evolved to be much higher in some states than in others. In recent years, legislators in high-benefit states have become concerned that poor families are moving to their states to take advantage of those benefits. In consequence they are permitting their benefits to fall behind inflation. Low-benefit states, not wanting to lose position in the queue of states ranked by the generosity of the AFDC guarantee, also permit their benefit levels to fall. The net result is that the AFDC guarantee for a three-person family in a typical state now comes to less than 40% of the poverty threshold.

The attempt to introduce accountability into welfare has had unintended consequences. For the past two decades, the dominant administrative goals have been getting benefits out accurately (no agency error or client abuse) and efficiently

(lowest possible administrative cost). In striving to meet these two goals the welfare system has subordinated the needs of its clients, becoming more concerned with processing data than with helping the poor. This is most evident in the case of recipients who want to work while on welfare. AFDC cases involving adults who combine work and welfare are, by definition, complex and error prone. Program staff must continually monitor data on earnings and other matters related to employment (e.g., child care) and make appropriate calculations. Given the emphasis on accuracy and efficiency, hard-pressed welfare workers may actually discourage clients from working in order to keep their cases simple and manageable.

Targeting, flexibility, and accountability seem like reasonable principles, but create incentives for the client and the system to act in counter-productive ways.

### Thinking About Reform

Despite the flaws, AFDC has endured because reform raises very difficult policy choices. Every dialogue on welfare reform inevitably confronts two policy challenges: (a) how to alleviate poverty, particularly among children; and (b) how to minimize welfare dependency, a concern particularly directed at their adult caretakers. Society is concerned about the condition of poor children, to whom no blame is assigned for their plight. At the same time, society has mixed feelings about the parents, toward whom some responsibility for the family's economic situation is assigned.

By any measure, U.S. children experience distressingly high rates of economic vulnerability. More than one child in five (22.7%), and one in four under the age of six, are poor. Some 40% of all the poor are children. Simple comparisons place the issue of child poverty in perspective:

- ❖ *Across groups:* The poverty rate among children in 1993 was 10 percentage points higher than the rates among prime-aged adults and the elderly. Few societies have permitted children to experience such relative economic vulnerability.
- ❖ *Over time:* The child poverty rate was almost halved between 1959 and the mid-1970s. Progress then stalled. Beginning in the late 1970s, child poverty began to increase and has remained quite high. The rate has risen by over one-third in the last 15 years.
- ❖ *With other advanced nations:* By the mid-1980s, child poverty in the United States was more than twice that of Canada, almost 3 times that of the United Kingdom, 4 times the French rate, and over 10 times the Swedish rate. In short, child impoverishment was greater in the United States than in other industrialized countries. (See Figure 2.)

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**Figure 2. Relative Poverty Rates Among Children, Adults, and the Elderly in Six Industrialized Countries**

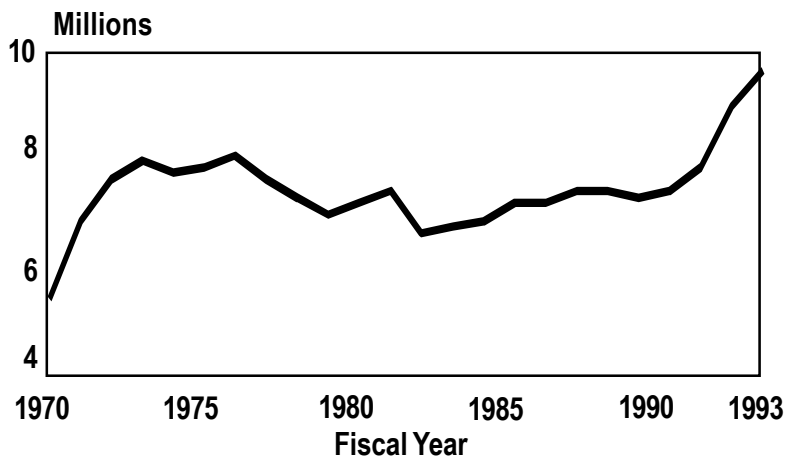
Country (Year of survey)	Working-age			Overall
	Children	Adults	Elderly	
Sweden (1987)	1.6%	6.6%	0.7%	4.3%
West Germany (1984)	2.8%	2.6%	3.8%	2.8%
France (1984)	4.6%	5.2%	0.7%	4.5%
United Kingdom (1986)	7.4%	5.3%	1.0%	5.2%
Canada (1987)	9.3%	7.0%	2.2%	7.0%
United States (1986)	20.4%	10.5%	10.9%	13.3%

*Note.* Income includes all forms of cash and near-cash income, such as food stamps, minus national income and payroll taxes. Income is adjusted for family size using the U.S. poverty line equivalence scale. Persons defined as poor have incomes below 40% of the national median income. From Smeeding, T. (1992, January–February). Why the U.S. antipoverty system doesn't work very well. *Challenge* 35, 30–35.

At the same time that child poverty is getting worse, more children and their adult caretakers are depending on AFDC.

- ❖ The number of children receiving AFDC benefits remained relatively stable between 1971 and 1989, at 7.3 million. By July 1993, that number had increased by almost one-third, to about 9.6 million. (See Figure 3.)

**Figure 3. Child Recipients of AFDC: 1970–1993**

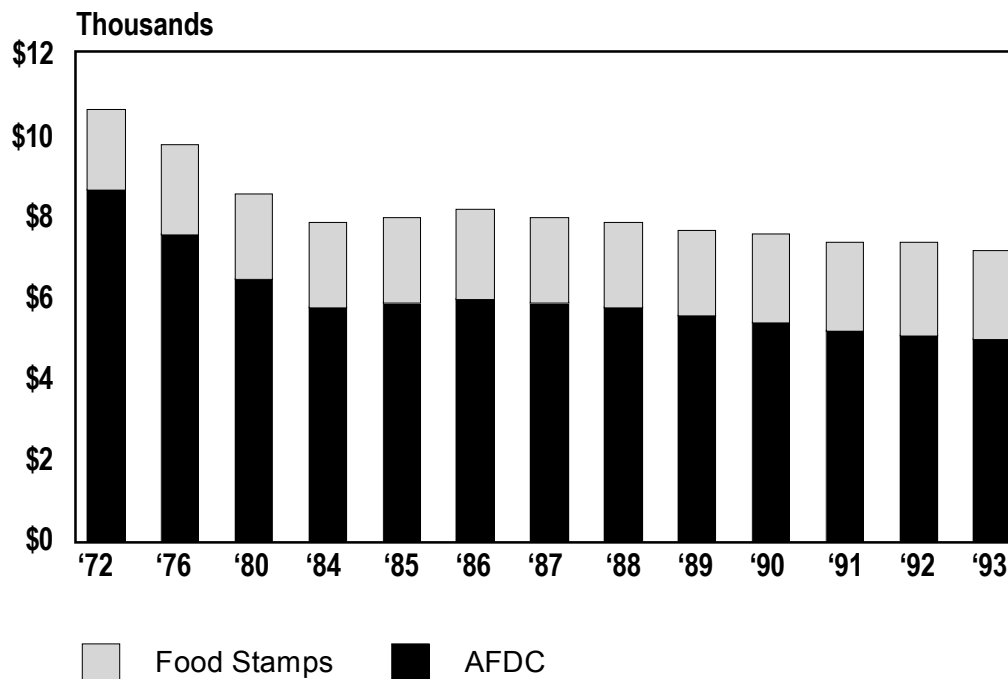


From *Overview of Entitlement Programs* (Green Book), 1993, Committee on Ways & Means, U.S. House of Representatives.

- ❖ In any month, about 1 child in 7 receives AFDC. Longitudinal studies indicate that 4 African-American children in 10 receive AFDC during their minority years. Among poor White children, 1 in 3 experience persistent use of welfare; for African-American children the rate is 3 in 5.
- ❖ For the first time in history, the number of families receiving AFDC benefits briefly exceeded the 5 million mark early in 1993. Spending on AFDC benefits increased by over 30% between 1989 and mid-1993 (in current dollars) to an annualized rate of \$22.3 billion.

We know how to eliminate welfare dependency. Solving the welfare dependency problem is quite simple: end welfare. Short of that, one could reduce the generosity of benefits and make access to those benefits more difficult, a tack that captures the drift of much of contemporary welfare policy. Think of the reaction that a proposal to simply cut AFDC benefits by about half might engender. Yet this is how much benefits have fallen in real terms since the early 1970s. (See Figure 4.)

**Figure 4. AFDC and Food Stamp Benefit Levels for a Mother and Two Children with No Earnings**



Note. Weighted averages across states in 1993 dollars. From *Overview of Entitlement Programs: 1993 Green Book* and ASPE staff computations for 1993 data, Committee on Ways & Means, U.S. House of Representatives.

As AFDC guarantees (the amount of benefits a family with no other income would receive) have steadily declined, we have witnessed a growth in the number of poor children to levels not seen since the War on Poverty was launched some 30 years ago. If reformers were concerned only with reducing dependency, then cutting benefits would be a simple policy solution. But when child poverty becomes part of the equation, the policy challenge becomes more daunting. Wisconsin provides an example. During the latter part of the 1980s, inflation-adjusted state annual AFDC expenditures fell by over 33% and caseloads fell by over 20%. During the 1980s, however, the number of poor children in Wisconsin increased by 35%, compared to a typical state increase of 11%. In terms of its relative ranking, Wisconsin fell from 5th best among all states to 22nd place. While many factors might explain these trends, a causal relationship between declining generosity of AFDC benefits and increasing child poverty remains plausible.

We also know how to reduce child poverty. Much as we have been doing for the elderly for the past two decades, we could seriously implement an incomes solution to the problem—that is, we could throw money at the problem. If we were to raise the AFDC guarantee for a three-person family in a typical state to the 1972 level, the 1993 annual payment of \$4,741 (\$395 per month) would be raised to \$8,548 (\$712 per month). By definition, however, this would increase welfare dependency. Wisconsin again illustrates the point. A mother in that state with two children and no other income received \$517 per month in AFDC benefits in 1993. The same mother would have received \$920 per month in 1975 in inflation-adjusted dollars. Moreover, the AFDC rules at that time would have permitted her to keep more of her welfare check were she to find employment. There is little hope that the prevailing political environment would permit a restoration of the AFDC rules and benefit levels as they existed in the early 1970s.

The real reform challenge is, and always has been, to reduce dependency and poverty at the same time. But how do we do this?

### **Rethinking Reform**

Getting the policy question right is the place to start but not always easy to do. Politics and ideology typically serve to obscure issues rather than enlighten public debate. As mentioned earlier, welfare reform in this country has focused almost exclusively on the question of dependency. And thinking on the problem has often been couched in simple oppositional terms: the “hards” versus the “softs.”

The hards situate the cause of poverty within the individual, whereas the softs emphasize institutional and structural factors bearing upon the individual. Conventional wisdom would place most liberals in the soft camp, where they are likely to stress the deleterious effects of poverty. Conservatives are more likely to empha-



size the dangers of welfare dependency. Acceptance of one position or the other leads observers toward quite divergent explanations for both poverty and dependency as well as toward radically different solutions.

Among the softs are those who believe that it is incumbent upon the state to provide its citizens with enough to enable them to subsist, whether they work or not. Among the hards are those who argue that proactive government action to reduce poverty is causally linked to increases in social disorganization and personal dysfunctioning, and that everyone would be better off if public interventions were minimized. Between these positions are, of course, those who believe that a myriad of factors contribute to and perpetuate poverty and dependency, including both institutional and individual factors. But the reform dialogue too often assumes the contours of a formal debate—with little real communication and an obsession with scoring points. The debate seems to focus on the extremes of the continuum and on the simplest of analyses and solutions.

Experts and the public alike engage in various forms of perceptual reductionism. Complex issues are simplified in the extreme. For example, conservatives often fix on an image of the poor (particularly the dependent poor) that draws upon the popular conception of the underclass. Somehow the African-American teen mother who has dropped out of high school and lives in the inner city becomes the proxy for all adults receiving AFDC. Yet the so-called underclass represents a minority of the poor and dependent at any one time.

Perhaps in response, liberals fix on a contrasting image of the welfare mother as a young struggling woman attempting to play by the rules but crushed by chauvinism, pointless or counterproductive welfare regulations, lack of opportunity, and various institutional or market failures. Perceptual reductionism—the tendency to assume that part of the population or problem represents the whole—is a powerful determinant of the character of the public debate.

Truncated images of the relevant population encourage restricted theoretical thinking. The hards, because they see poverty as a direct consequence of personal failings, prescribe reforms that impose obligations on welfare recipients and reduce the attractiveness of welfare. They tend to favor putting the dependent poor to work quickly, without expensive training or a lot of hand-wringing over whether the jobs they take have growth potential. They seldom support social service programs, which they tend to view as costly, ineffective, and likely to provide opportunities for clients to avoid their obligations. In short, people should work because it is the right thing to do.

The softs, who tend to view poverty and dependency as products of environmental shortcomings, typically argue that the existing welfare system should be made more accessible and possibly more generous, that reform should focus on developing remedies for the multiple obstacles to self-sufficiency faced by the poor,

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***No one image of the poor captures the full reality of this diverse population.***

and that the system should create positive economic incentives to bring the poor into the economic mainstream. They typically dislike behavioral obligations (work requirements) and almost instinctively defend (or want to defend) entitlements. In short, government should do more because it is the compassionate thing to do.

But must one choose one side or the other? one image of the poor over all the others? one theoretical approach? one approach to reform? In fact both positions reveal part of the truth, because no one image of the poor captures the full reality of this diverse population.

**Heterogeneity—A New Place to Start**

The welfare dynamics literature suggests that the total population of the dependent poor can be disaggregated into recognizable groups. Point-in-time estimates indicate that most AFDC recipients—almost two-thirds—are (or will become) long-term users of welfare. Patterns of use among new entrants to the welfare system are quite different, however. Of those initiating their first spell on assistance, some 30% are likely to be short-

term users of assistance (less than 3 years), 40% are expected to be intermediate users (3 to 8 years), while the remaining 30% will become chronic/persistent users. Moreover, dependency is not a static phenomenon. Seventy percent of new entrants will exit within 2 years; however, about 70% of those who exit return within 5 years. Common sense suggests that what is appropriate for a short-term recipient of welfare will not be sufficient for someone who is chronically dependent.

An equally simple insight is that no single welfare strategy, by itself, works particularly well. That may not be an appropriate conclusion, however. The lesson is not that nothing can be done; rather it is that no single strategy will do the whole job.

**Toward a Conceptual Framework: The Onion Metaphor**

If we are to succeed in reducing dependency and enhancing the well-being of children, we must design solutions that respond to the diverse needs of the diverse population of the poor. If we visualize the successive and distinguishable layers of the dependent poor as an onion, we can select from an existing arsenal of initiatives an appropriate array of interventions to deal with successive layers of the needy. Those at the top, the skin of the onion, will need little assistance and that of a different sort from what will be required to attain self-sufficiency for those at the core. As those who can (or will) respond to softer measures leave welfare (or never come on), public resources can more efficiently be directed toward those seemingly hopelessly mired in poverty. (See Table 1 for a description of the layers of the dependent and the likely interventions available to assist them.)

**Table 1. Peeling the Onion: Matching Reforms with Subgroups**

<b>Subgroups</b>	<b>Programs for Adults</b>	<b>Programs for Children</b>
<i>Outer layer</i>		
<i>Foundation Reforms</i>		
Working poor and those on welfare for less than 2 years	Refundable personal tax credits	Refundable child tax credits
	Expand tax credit with cash value of food stamps	Assured child support
	Other tax reforms	
<i>Earnings Supplements</i>		
	Earned Income Tax Credit (EITC) (index and base on family size)	Refundable child care credit
	Direct earnings supplement	
	Indexed minimum wage	
<i>Transitional Supports</i>		
	Assured medical coverage	Assured child care
<i>Middle layers</i>		
Those with limited options and very low earnings capacity (on welfare 2–8 years)	Welfare-to-work training programs	Education reform
	Wage-bill subsidies	“Soft” Learnfare
	Social contract	School-to-jobs transition
	Service options	Youth capital account
<i>The core</i>		
The systems-dependent: those with very low earnings capacity and additional barriers—chemical dependence, depression, etc. (long-term and chronic users of welfare)	Work requirements	“Hard” Learnfare
	Intensive services	Teen pregnancy prevention
	Time-limited financial assistance	Intensive services
	Guaranteed job	

**The outer layer.** The outer layer of the onion consists of those at risk of requiring welfare and short-term welfare recipients who are thought to enter dependency because of some discrete and observable adverse circumstance—a divorce or loss of a job. Those who turn to welfare possess the skills, motivation, and necessary supports to acquire economic self-sufficiency in a short time. Appropriate policy interventions should provide time-limited income support and short-term help into the labor market.

Reforms relevant to this group could obviate the need for welfare even in the short run. Such reforms should enhance the economic well-being of low-income families through nonwelfare transfers or by removing impediments to participating in the labor market. Nonwelfare mechanisms include supplemental transfers through the tax system, through earnings-related subsidies, and through the child support system. Removing impediments to labor force participation essentially means ensuring that certain costs associated with work are offset or reduced (e.g., that affordable child care and health care coverage remain available if the person takes a low-wage job with poor benefits and limited future prospects).

Refundable credits through the income tax system have long been recognized as a way of providing an income floor (or at least a way of cutting off the lower end of the income distribution). When tax credits are refundable, low-income families receive some economic support directly through the tax system. Thus, changing both the personal and child deduction to refundable credits affords a rather straightforward method for providing some income support to economically disadvantaged families.

No feasible tax-credit proposal can expect to transfer anything close to an adequate income to disadvantaged families with children—particularly female-headed families. For those ready and able to work, the emphasis should be on inducing dependency-reducing and poverty-reducing behaviors by offering rational choices to the poor—policy measures to “make work pay.” Other interventions designed to do the same thing include increasing (or indexing) the minimum wage, providing earnings-based income supplements, and/or ensuring that nonearned transfers (e.g., an assured child support benefit, described later) are not subject to confiscatory benefit reduction rates.

For some families, additional forms of nonwelfare assistance might be required. As a principle, children should always receive economic support from both of their parents. Although reforms have led to improvements in private child support, the fact remains that only 60% of those eligible for an award have one. Of those with an award, about half of them collect all that is due. There is widespread support for government to do more to ensure that all children with awards receive no less than some publicly guaranteed child support minimum. The public portion of any assured child support benefit would not be reduced as earnings increase—unlike typical welfare transfers—and could thereby serve as an income foundation upon which to build.

Finally, assured access to health care and child care represent essential guarantees if a transition into the labor force is likely to be permanent. It would not be rational for a mother to continue in a low-paying job that did not offer a reasonable health insurance package if that meant she and her children lost Medicaid coverage. Likewise, it would be irrational to continue working if child care arrangements were prohibitively expensive, unsafe, or unavailable. The reforms discussed here are examples of “foundation reforms,” those designed to help parents who play by the rules get their families out of poverty.

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**The middle layers.** The foundation reforms and rational choices already described will not, by themselves, eliminate poverty, end welfare, and bring into the labor market a large number of those in the middle layers.

Just below the outer layer are those with limited options. Although they may have reasonable levels of basic skills and education, available employment opportunities do not permit them to remove their families from poverty. Such individuals might profit from additional educational/vocational preparation, but what they first require are rational choices—economic opportunities that can lift them out of poverty. Those with very low earnings capacity may well need extensive (re)habilitation—intensive remedial educational and vocational services not normally available in typical welfare-to-work programs.

Some need the kind of welfare-to-work training programs that were promised, but not necessarily delivered in all states, by the JOBS provisions of the Family Support Act. The emphasis of a new and reinvigorated JOBS would differ from many of the existing versions of state welfare programs, which tend to stress immediate job placement and eschew longer-term vocational preparation.

Deeper into the onion are those whose self-confidence is likely to have been adversely affected by their experience on welfare. Presumably, their sense of what they can accomplish erodes over time. In this portion of the onion are also those who suffer from impoverished motivation (a form of learned dependency) and/or low earnings capacity.

Both those whose confidence has eroded and those with a motivational deficit would benefit from reciprocal agreements or a social contract between the client and government. This contract would impose expectations on client behavior to strengthen basic social skills (e.g., punctuality, reliability, appearance). The contract would impose real expectations on government as well. Since clients will be at varying places in terms of self-sufficiency, an array of service options should be available.

The new reciprocal relationship with actually or potentially disadvantaged individuals would start early on. Youth in dependent families have until recently been ignored. Society is now trying to reach them through a renewed emphasis on educational reforms and greater attention to problems associated with intergenerational dependency. Skills and capacities of the young should be improved before they develop traits that are associated with behavioral dependency. The policy landscape is broad here: change and improve schools; change the behavior of school-age children (“soft” Learnfare); and improve the school-to-work transition. These are institutional reforms. Others have suggested economic approaches, such as providing all youth with a “youth capital account”—an amount of money that could be drawn upon for the purpose of securing educational or vocational opportunities.

**The inner layers.** As we approach the core of this metaphorical onion, several layers can be distinguished. The systems-dependent include those with both low earnings capacity and other barriers that stand in the way of self-sufficiency—barriers such as chemical dependency, clinical depression, abusive personal relations, and so forth. Also in this layer are those who lack basic social values and may be isolated from most mainstream institutions. Here we encounter conventional “class/cultural” explanations of dependency that evoke images of the underclass. In addition to all the reform themes already described, this group might benefit from an exposure to reforms that emphasize personal responsibility. Impositions, accompanied by intensive service interventions, suggest themselves as the appropriate strategy.

Impoverished neighborhood environments, lack of proper role models, and inadequate institutional resources are contributing causes to problems experienced by the core group. But what most concerns policy-makers is the apparent deficit in basic motivations, the tendency toward dependency-perpetuating behaviors, and the absence of mainstream values. Again, the distinction between institutional and individual explanations of chronic poverty must be recognized.

The strategy thrust for the systems-dependent is to impose strict obligations on the individual and to communicate simple messages that counter-productive behavior will not be tolerated. For some, however, obligations will be unproductive given the multiple challenges they face. For those enervated by barriers such as drug addiction, help must accompany obligations. This is no less than a call for reuniting social services and case management to the provision of economic assistance—a tie that was severed with the rush to entitlements in the late 1960s.

Since this group has been ignored in the recent past, few models are available to adopt ready-made. The JOBS provisions of the Family Support Act modestly push states toward dealing with those closer to the core of the onion, but few states have pursued this policy objective aggressively. A number of promising “two-generational” and “family-centered” intensive intervention pilots are being developed, but their promise remains largely untested to date. The opportunity lost in seeking individual, family, and community-focused solutions to poverty as the policy community retreated from the 1960s War on Poverty must be addressed.

Ultimately, the clearest expression of real obligations—for both the recipient and government—would be a time limitation on welfare-type assistance. Many complex questions remain to be worked out, but the principle remains: Welfare is no longer an entitlement but a short-term form of assistance. More than any other provision, time-limited income assistance alters the character of welfare. Everyone involved would have a real stake in ensuring that substantive efforts to achieve personal self-sufficiency take place if the final consequence is termination of income support.

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**The core.** At the very core of the onion are the functionally limited. These are recipients of AFDC who are so impaired physically and/or emotionally that self-sufficiency is not a realistic objective. No one really knows the size of this group, though efforts are being made to identify the attributes that distinguish those who can be expected to work from those who cannot. The strategy for this group is to recognize that self-sufficiency is not an achievable goal and to develop nonstigmatizing ways of providing basic income support. An expanded disability program (e.g., a liberalization of Supplemental Security Income) seems an appropriate vehicle through which to assist this group.

### **Graded Policy Interventions**

The essential reform task is seen as one of peeling back the onion—the onion being visualized as successive and distinguishable layers of the dependent poor population—by systematically putting into place a set of initiatives that successively deal with the needs and circumstances of individuals who lie within each of the layers. (For the major reform strategies, see Appendix A.) The essential strategy is first to remove those on the outer layer of the onion through “softer” initiatives designed to rationalize the set of economic choices facing low-income families, then to enhance the capacities and opportunities of those in the middle layers of the onion through a combination of reciprocity (e.g., the social contract theme) and rehabilitative (e.g., human capital enhancements) initiatives, and finally to address the inner layers of the onion through a variety of responsibility-focused (e.g., obligation-based) measures. Once these strategies are in place, some would argue that the opportunity to transform welfare programs like AFDC into time-limited, transitional forms of assistance would present itself.

Thinking more imaginatively and productively about addressing dependency and poverty starts with the following principles:

- ❖ The ultimate aim of reform is to reduce both dependency and poverty, and the intermediate objective is to substantially eliminate reliance on welfare-type income support programs.
- ❖ The poor and dependent are not homogeneous but represent a population that is diverse both in terms of situational characteristics and personal attributes.
- ❖ There is no single approach for achieving poverty reduction or welfare reform—no unidimensional initiative (e.g., work requirements, child support, tax law changes) that, by itself, will solve the total problem.

***There is no single approach for achieving poverty reduction or welfare reform.***

- ❖ The basic challenge for policymakers is not to dream up new solutions—the array of ideas on the policy marketplace is already formidable—but rather to package and implement existing strategies in an integrated and effective manner.



This text is drawn from the following two articles:

Corbett, T. (1994–1995, Winter). Changing the culture of welfare. *Focus*, 16(2), 12–22. University of Wisconsin-Madison: Institute for Research on Poverty.

Corbett, T. (1993, Spring). Child poverty and welfare reform: Progress or paralysis? *Focus*, 15(1), 1–17. University of Wisconsin-Madison: Institute for Research on Poverty.

For a free copy of the issues of *Focus* in which the articles and references appear, contact

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