
Wisconsin Resources on Welfare Reform

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Wisconsin Family Impact Seminars

Wisconsin Department of Health and Social Services

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Gary Kuhnen	(608) 267-9022
Treatment of earnings or assets	
Parental and family responsibility	
Transitional child care and transitional Medicaid	
Time limits of AFDC benefits	
Food stamp cash-out	
Family cap on AFDC benefits	
Changes affecting two-parent families (e.g., 100-hour rule)	
Work Not Welfare	
Steve Perales	(608) 266-7517
Job creation for AFDC recipients	
Susan Reinhardy	(608) 267-3544
Electronic benefit transfer (Wisconsin has no EBT program)	
Ingrid Rothe	(608) 266-7046
Caseload data	
Mary Southwick	(608) 267-0926
Child support enforcement	
Paternity establishment	
John Touhy	(608) 266-3039
Initiatives to promote school attendance	
Jason Turner	(608) 266-9622
Community service jobs	

Institute for Research on Poverty—Affiliates and Research Staff

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Peter Brandon (608) 262-6382

Family economics
Economic demography
Income inequality and welfare dependency

Maria Cancian (608) 263-6633

Women's market work and marriage patterns
Family economics
Distribution of income
Child support

Thomas Corbett (608) 262-5843

Welfare reform
Implementation research, especially at state and local levels
Child support

Mark Courtney (608) 263-3669

Child welfare services
Foster care

Linda Gordon (608) 263-1777

History of the welfare state
History of AFDC
Family violence
Single motherhood
Abortion and birth control

Tom Kaplan (608) 262-0345

Status of children in Wisconsin
Families and social policy

Daniel Meyer (608) 262-7336

Economic support for single-parent families
Nonwelfare income transfer programs for families with children
SSI and General Assistance

Gary Sandefur (608) 262-0037

Minority issues related to poverty—household structure
Intergenerational consequences of marital disruption
Single-parent families

Karl Scholz (608) 262-5380

Earned income tax credit/tax policy in general

Michael Wiseman (608) 262-3581

Administration/evaluation of welfare programs

Appendix A: Major Reform Strategies

Social service strategies. Modestly undertaken in 1956 and greatly expanded in 1962, the concept was that social workers would counsel recipients out of poverty and dependency. The credibility of this approach evaporated when caseloads began to increase at an accelerating rate. This approach can be traced back to the “friendly visitors” of the scientific charity movement in the late 19th century. It reemerges as part of the tough-love and social-contract initiatives discussed later.

Institutional strategies. As part of the War on Poverty and Great Society effort, programs were initiated to revitalize social and political institutions at the local level. It was an attempt to empower individuals and neighborhoods, a strategy consistent with the “blocked opportunity” thesis that informed and shaped the War on Poverty. These initiatives (e.g., model cities and community action programs) encountered severe political problems and most were short-lived. In the 1980s, enterprise zones and public housing “ownership” initiatives were suggested to counter disinvestment and disorganization in disadvantaged areas.

Human capital strategies. By the early 1960s, it was argued that some were poor because of insufficient skills and education. The remedy was to enhance their earnings capacity and improve their competitiveness in the labor market. That is, their human capital was to be increased. Undertaken in the early 1960s with the Manpower Development and Training Act (for the disadvantaged in general) and the Community Work and Training programs (for welfare recipients), this approach was greatly expanded for AFDC clients with the introduction of the Work Incentive Program (WIN) in 1967. Since then, there have been numerous shifts in program design and administration (as well as names), but the approach continues under the federal JOBS initiative as well as residual initiatives from the War on Poverty, such as Head Start. A second human capital strategy involved enhancing the motivation of welfare recipients to enter the labor market. The marginal tax rates imposed on AFDC recipients (the rates at which their benefits were cut as their earnings increased) were reduced to allow working adults to keep part of their grant after securing employment (between 1967 and 1981) and by providing income help to the working poor through the tax system (e.g., the Earned Income Tax Credit).

Job creation and subsidization strategies. Public Service Employment (PSE) jobs were used to offset deficient demand for disadvantaged job seekers. At the height of the New Deal of the 1930s, some 4.6 million jobs were created, covering about a third of the jobless. PSE strategies continued to be in favor, at least sporadically, until the 1980s, when private sector solutions to insufficient demand for labor gained favor. Unpaid public employment as a condition for getting wel-

fare (i.e., Workfare) was introduced in the mid-1960s and has been employed sporadically since. A variety of subsidies to employers (wage-bill subsidies) to offset the costs of hiring disadvantaged job seekers have been tried—becoming a major strategy in the late 1970s. The Targeted Jobs Tax Credit and WIN Tax Credit are two such subsidies. Yet another variant of this approach is the AFDC grant diversion program.

Income strategies. The best example of the income approach to reducing poverty was found in the several comprehensive federal mega-plans proposed during the 1970s: Nixon’s Family Assistance Plan, Senator George McGovern’s universal demogrant proposal, and Carter’s Program for Better Jobs and Income. Their roots can be traced back to proposals for a negative income tax, initially suggested by Milton Friedman and others during the 1960s. A more subtle expression of this approach is found in the rather unplanned increase in the generosity of welfare guarantees and the easing of restrictions to obtaining benefits that took place in the 1960s and early 1970s.

Child support strategies. The changing composition of the AFDC case-load—proportionately fewer widows with children and more women with children whose other parent was alive but absent from the home—eventually led to a series of initiatives designed to ensure that both legally liable parents contribute to the economic well-being of their children, whether or not they were living with them. Although some federal activity was taken as early as 1950, substantive reforms were not carried out until the creation of the federal Office of Child Support Enforcement (OCSE) in the mid-1970s. This reform strategy was strengthened by federal legislation in 1984 and 1988 (the Family Support Act).

Macroeconomic strategies. For several decades, monetary and fiscal policy has been used as a tool for addressing poverty. The Kennedy tax cuts of the early 1960s, and their alleged positive effects on a sluggish economy, were seen as evidence that the economy could be fine-tuned and used as a weapon against economic want. Until the 1980s demand-focused approaches (e.g., increasing the money supply or increasing spending on public works projects) were favored. Since then, so-called supply-side approaches (e.g., lower marginal tax rates on individuals and businesses) came into favor. The principle remained the same: A strong economy is essential to lowering poverty and dependence. That is, a rising tide will lift all boats.

The “make work pay” strategy. This approach has been supported by an increasing number of economists who trade in poverty policy. (The phrase “make work pay” is found in *Working but Poor* by Sar Levitan and Issac Shapiro, 1987, Baltimore: The Johns Hopkins University Press, and popularized in *Poor Support: Poverty in the American Family* by David Ellwood, 1988, New York: Basic Books.) The approach is conceptually similar to some aspects of the job creation and subsidization initiatives introduced as far back as the 1960s. The un-

derlying principle is simple: Work ought to be a rational option; those adult AFDC recipients who work more ought to have more income, and those who really play by the rules and work full time ought to be able to get their families out of poverty.

The “make ‘em suffer” strategy. The “make ‘em suffer” label refers to a broad set of proposals to impose penalties on what are classified as inappropriate or counterproductive behaviors. (This label is used in *Rethinking Social Policy* by Christopher Jencks, 1992, Cambridge: Harvard University Press). Benefits are conditioned on such positive activities as attending school, partaking in work-preparation activities, immunizing children in the care of the recipient, not having more children while on public assistance, avoiding certain felonious activities such as illegal drug use or dealing, or paying the rent. The recipient is obliged to engage in specific activities to get full benefits. In reality, the “tough love” innovations of the 1980s did little more than resurrect provisions widely used in the “fit home” criterion of the preentitlement era.

Social contract strategies. The term “social contract” is used to describe a current approach to reform. (A good introduction to this principle can be found in *Beyond Entitlement* by Lawrence Mead, 1986, New York: Free Press). In principle, this approach balances both institutional and individual explanations for poverty/dependence as well as both liberal and conservative approaches to reform. That is, it would borrow elements from both the “make work pay” and the “make ‘em suffer” approaches noted earlier. The recipient is obligated to work toward self-sufficiency, and government is obligated to provide the instruments and opportunities that will enable the individual to reach that goal.

The “thousand points of light” strategy. The “thousand points” strategy means, essentially, that there are to be no more “solutions from the center.” Each state is encouraged to seek its own solutions to the problem of welfare.

Appendix B: New Two-Generational Program Models

These summaries are based on a paper by Zaslow and associates (1994).

The Comprehensive Child Development Program was created by federal legislation in 1989 and operates in 34 sites for approximately 5,000 families. Comprehensive, continuous support is available to families and children from birth through the child's entry into school. Core services include health care, child care, early childhood education, early intervention for developmental problems, and nutrition services. Parents and other adult family members receive prenatal care, parenting education, health care, job readiness services, substance abuse treatment, and mental health services. CCDP reported increased participation in parenting classes and benefits for children's socioemotional but not cognitive development. Parent's participation in mental health services, life skills training, and counseling increased, and their relationships and social networks improved; children in the experimental group were more likely than control group children to have their biological father or other father figure living in the household. The program had positive effects on educational participation and attainment, but no effect on maternal depression, earnings, employment, or total family income; AFDC receipt actually increased, presumably due to increased access to services.

The Even Start Family Literacy Program was administered by the U.S. Department of Education in 240 program sites between 1989 and 1991. Even Start targets low income families with a child under 8 years of age and a parent in need of adult education. Core services include adult basic education, parenting education, and early childhood education with support services such as child care, health care, and transportation. Most programs are center-based, although some deliver services through home visits. Even Start reports positive impacts on participation in parenting classes and the amount of reading materials in the home, but no impacts on seven other measures of cognitive stimulation. Participants increased educational involvement and attainment, but there were no impacts on family income, AFDC receipt, employment, maternal depression, or social support.

New Chance is a national demonstration program that operated in 16 sites between 1989 and 1992 for teenage welfare parents who had dropped out of school. New Chance provided education, training, and extensive social support for up to 18 months for 1,400 volunteers. Parents in the experimental group were more apt to attend and complete educational programs. They were also more apt to attend parenting classes and were warmer and less harsh in their childrearing beliefs and practices than were the control group. The experimental group reported more sources of social support and greater satisfaction with social sup-

port. Furthermore, experimental group mothers were more likely to be living with a partner or husband at the 18-month follow-up, while control group mothers were more likely to be living with a parent or grandparent. The program had negative effects, however, on participant earnings, and no effects on employment, AFDC receipt, total family income, or maternal depression.

Project Redirection was sponsored by the Manpower Demonstration Research Corporation in the early 1980s in four sites. The program was directed toward teenagers 17 or younger who had no high school diploma or equivalency degree and were eligible or receiving AFDC. The voluntary program provided comprehensive services aimed at education, job service, parenting, life management skills, and delayed childbearing. Project Redirection increased earnings and decreased AFDC receipt, but had no effect on total family income and educational participation or completion. At the 5-year follow-up, the program improved the home environment in ways that benefit both children's cognitive and socio-emotional development. For example, parents provided more language stimulation and mothers were warmer, more accepting, and more affectionate.

The Teenage Parent Demonstration Project was a major demonstration sponsored by the U.S. Department of Health and Human Services in two sites in New Jersey and one in Chicago between 1987 and 1991. Half of the 6,000 teenage parents were randomly selected to participate in mandatory JOBS-type programs offering extensive case management to support participation in school, work, and job training; support services were also provided for child care and transportation. The other half received only regular AFDC benefits with no school or work requirements. The program resulted in higher employment, increased earnings, and decreased AFDC receipt, but no increase in total family income. Parents were more apt to participate in parenting classes and parents were warmer and less harsh in their parenting beliefs and practices. Parents were more apt to participate in educational activities, but no more likely to complete an educational degree. The participants were more apt to participate in mental health services and counseling, but there was no difference in depression, daily hassles, or social support.