

Written Testimony of Sanford F. Schram Before the U.S. House of Representatives,  
Committee on Education and the Workforce, Subcommittee on 21st Century  
Competitiveness, September 20, 2001

Dear Chairman McKeon, Congresswoman Mink, and other committee members,  
thank you for giving me the opportunity to testify this morning. My name is Sanford  
Schram and I am a Professor in the Graduate School of Social Work and Social Research  
at Bryn Mawr College, in Bryn Mawr, Pennsylvania.

Five years after the enactment of the Personal Responsibility and Work  
Opportunity Reconciliation Act of 1996, that law is now widely heralded as a success.  
While some aspects of the law have worked for some families, many aspects have not--so  
much so that I would suggest that the much-heralded claim that welfare reform is a  
success is overrated and very much premature. A good part of the problem stems from  
the fact that public discourse has in a questionable way shifted the frame of reference  
from poverty to dependency. (See Schram and Soss, 2001). As a result, reductions in  
welfare caseloads are misleadingly seen as the primary measure of success when poverty  
remains the pressing issue.

Some analysts have claimed that it is critical to prevent single mothers with  
children from "staying at home and doing nothing." Others have stressed the importance  
of treating welfare dependency like an "addiction." Yet, the focus on reducing the  
welfare caseloads overlooks that many poor, single mothers with children are being  
forced into temporary, low-wage jobs such that these women remain poor while they

come under increased strain to fulfill both their child-rearing and wage-earning responsibilities.

Numerous claims have been made for the success of welfare reform that are questionable at best. There are claims that welfare reform has reduced poverty and done other wonderful things for families. I would suggest that important questions need to be asked about these claims before we can develop a clear picture of where welfare reform has taken us. Taking a critical eye to existing research helps us pose these questions.

First, contrary to numerous claims, it is not even clear from available research that welfare reform is the major reason for the dramatic declines in caseloads that have occurred since the early 1990s. The economic growth of the 1990s may very well have had a much greater impact in reducing the numbers of welfare recipients and reform of welfare policy may instead have had only a marginal effect. In addition, where welfare reform has had an effect, it has most often been where the economy has created opportunities for people to forego needing assistance. Lastly, welfare reform's limited contribution to reducing caseloads has included forcing people off welfare when they were not ready to support their families on their own. Therefore, for several reasons, the caseload declines that have occurred should not be seen as primarily the result of welfare reform assisting people to leave welfare. This focus has been overemphasized and exaggerates the extent to which reform is helping welfare recipients leave welfare and achieve self-sufficiency.

Second, there is no real evidence that welfare reform has done much to reduce poverty. Trend line data that is offered by some analysts is misleadingly confusing correlation with causation. While poverty rates overall have declined during the years of

welfare reform, it is not clear that this is the result of welfare reform. More to the point, as a recent report from the Center on Budget and Policy Priorities indicates: “Among people in families headed by working single mothers, there was no progress in reducing poverty between 1995 and 1999, despite an expanding economy” (Porter and Dupree, 2001). In fact, it very well may be the case that welfare reform has erased what poverty reduction the economy produced among single mothers with children. While economic growth in the 1990s reduced poverty among single mothers, welfare reform increased poverty among this group. The net effect has been that poverty levels for single mothers with children have not changed much at all, even as poverty has declined in the population overall. While economic growth was reducing poverty for single mothers with children, welfare reform replaced welfare receipt with low-wage jobs for many of them and no jobs for still others. In addition, welfare reform has resulted in the many families who now go without welfare also not receiving needed entitlements for food stamps, medical assistance and child care. As a result, welfare reform has for many families resulted in net reductions in income transfers from government, thereby reducing their incomes and erasing the gains in incomes that have come from taking paid employment.

Third, the overemphasis on people leaving welfare has led to insufficient attention being given to the hardship suffered by families who have left welfare. Studies of “leavers,” as they are called, indicate that most are working, but not full time, and many others, as much as a third, are not working at all and are without consistent income support. Many of these leavers, as many as half, are among the families that end up not getting needed health insurance, food stamps and child entitlements for which they remain eligible. Therefore, low-wages, underemployment and other economic factors are

combining with bureaucratic disenfranchisement to make the transition from welfare extremely painful for many families. As a result, the overwhelming majority of these leavers remain poor several years after going off public assistance.

Many families, over 500,000 by 1999, did not really leave welfare on their own accord but instead were forced off, sanctioned, for failure to conform to new, strict requirements. These families are less likely to do less well compared to other leavers. African-Americans are more likely to be sanctioned than whites.

Whites have been leaving welfare at higher rates than nonwhites, and as a result, the racial composition of the remaining welfare population is changing to become increasingly nonwhite. States with higher proportions of their welfare population constituted by African-Americans are more likely to impose more aggressive versions of new get-tough welfare reforms, including sanctions, time limits for the receipt of aid, and family cap policies that deny additional aid to families for a child born while the family is already receiving assistance.

Children's well-being is likely to decline in those families who have seen their incomes decline under welfare reform. Pushing single mothers prematurely into the paid labor market and requiring work outside the home is in many cases undermining the ability of these mothers to effectively fulfill their child-rearing responsibilities.

Therefore, a closer examination of the research on welfare reform raises troubling questions about its effects and calls into question its supposed success. Welfare reform has not been shown to have played a major role in reducing welfare dependency; it is being shown to be increasing poverty. It is imposing new hardships and introducing new forms of discrimination.

There is a need to review available research more critically and to think about how to revise the new welfare policy regime to redress these problems. I provide specifics below.

- Between 1995 and 1999, a strong economy reduced poverty by about 2 percent. Reductions in government transfer payments during this period, however, eliminated almost all of the anti-poverty effectiveness of economic growth. Prior to welfare reform, between 1993 and 1995, government transfer payments had produced the opposite effect, reducing poverty among American families (Porter and Dupree, CLASP, August, 2001).
- About one-third of people who have left welfare say they have had to cut the size of meals or skip meals because they did not have enough food in the house (Loprest, Urban Institute, 2001).
- Over 40 percent of welfare leavers report that they have had trouble paying housing and utility bills since leaving welfare (Loprest, Urban Institute, 2001).
- Since welfare reform was enacted in 1996, and despite a strong economy, there have been sharp increases in the rates at which single mothers with children have had to rely on food pantries and homeless shelters (Eisinger, Focus, 1999).

- An estimated one-third to one-half of all families leaving welfare for work do not receive medical assistance, food stamps, or child care to which they are entitled (Zedlewski, Urban Institute, 2001; Loprest, Urban Institute, 2001).
- Between 1997 and 1999, over 500,000 families were sanctioned off welfare and these families have been more likely to experience poverty than have other families leaving welfare. On a variety of measures, families who have been sanctioned off welfare tend to fare worse than other leavers (Goldberg, CBPP, 2001; Lower-Basch, HHS, 2000).
- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt full-family sanctions (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). African American recipients are statistically more likely than white recipients to participate in a TANF program that employs full-family sanctions (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). And African-American families have, in fact, been sanctioned more frequently than their white counterparts (Lower-Basch, HHS, 2000).
- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt family cap policies (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). African American recipients are statistically more likely than white recipients to participate in a TANF

program that employs a family cap policy (Soss, Schram, Vartanian and O'Brien, AJPS, 2001).

- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt time limits shorter than the federal government requires (Soss, Schram, Vartanian and O'Brien, AJPS, 2001).  
Approximately two-thirds of all families that will exhaust their allowable time on welfare are families of color (Duncan, Harris and Boisjoly, Social Service Review, 2000).
- Approximately 41 percent or about 1.6 million of the families left on welfare will exhaust their eligibility for welfare under time limits (Duncan, Harris and Boisjoly, Social Service Review, 2000).
- About twenty-five percent of former welfare recipients have no paid employment and have either no partner or a partner who is unemployed (Loprest, Urban Institute, 2001).
- Under welfare reform, single mothers have been forced to work at unsafe and hazardous job sites and to be subject to sexual harassment and racial discrimination (Fine, Womensenews, 2001; Delgado and Gordon, 2001; Gooden, 2001).

- Most single mothers who leave welfare for work do not earn enough in wages to lift their families out of poverty, even several years after leaving welfare. Fifty-five percent remain poor one year after leaving welfare; 49 percent three years after and 42 percent five years after. Only about one-third of all leavers have incomes above 150% of the poverty line five years after going off welfare. (Cancian and Myers, *Social Work Research*, 2000).
- Adolescent children of single mothers who have left welfare for work have school performance rates below those of other low-income children. Early studies of families in welfare-to-work programs in Florida, Minnesota and Canada have found unexpected evidence that their adolescent children have lower academic achievement and more behavioral problems than the children of other welfare households. The researchers hypothesized that parents in the programs might have less time and energy to monitor their adolescents' behavior once they were employed; that under the stress of working, they might adopt harsher parenting styles; or that the adolescents' assuming more responsibilities at home when parents got jobs was creating too great a burden. (Brooks, Hair and Zaslow, *Child Trends*, 2001).
- Under welfare reform, when families lost income regardless of the reason, children were more likely to experience bad outcomes such as increased school suspensions, behavior and mental health programs including symptoms of depression, an increase in the number of children removed from their

mother's care, increased enrollment in special classes for behavioral or emotional problems, and health problems such as increased trips to the emergency room. In programs where both employment and income were increased, the impact on children was more positive (Sherman, Children's Defense Fund, 2001).

- Most single mothers on welfare who are eligible for the exemption from cooperating in establishing paternity are not made aware of this option (Soss and Keiser, 2000).

A critical review of welfare reform indicates: (1) it has failed to reduce poverty (even during a period of economic growth); (2) it has lowered the disposable incomes of single mothers with children; and (3) it has created unnecessary hardships and inequities among poor families.

Welfare reform is making single mothers with children poorer; it is forcing them to work at jobs that do not lift them out of poverty; it is making these women work at jobs that do not pay enough, making it extremely difficult for them to fulfill their dual responsibilities as breadwinners and homemakers. As a result, many families that need support from social policy are now being deserted.

The existing law must be changed to ensure that it contributes to a just and effective process of poverty reduction.

Reauthorization for welfare reform creates an opportunity to address these problems, beginning with shifting the focus from concentrating on reducing the numbers

of families receiving public assistance to focusing welfare policy more directly on helping families escape poverty.

Important improvements in current policy include: (1) allowing mothers to count child-rearing as part of their efforts to be personally responsible; (2) repealing time limits where necessary for women not ready to assume dual responsibilities of being a breadwinner and a homemaker; (3) increasing opportunities for education and training so that single mothers can earn enough to not have to rely on public assistance; and (4) guaranteeing access to entitlements for health insurance, food stamps and child care when families do leave welfare.

## REFERENCES

Brooks, Jennifer L., Elizabeth C. Hair, Martha J. Zaslow. 2001. *Welfare Reform's Impact on Adolescents: Early Warning Signs*. Washington DC: Child Trends, Research Brief #2001-05, July: <http://www.childtrends.org/pdf/WelfareEditBrief.pdf>.

Cancian, Maria and Daniel R. Meyer. 2000. "Work after Welfare: Women's Work Effort, Occupation, and Economic Well-Being." *Social Work Research* 24, 2 (June): 69-86.

Delgado, Gary and Rebecca Gordon. 2001. "Racial Discrimination in the Implementation of Welfare Reform." In *Race, Welfare and the Politics of Reform*, Sanford F. Schram, Joe Soss, and Richard Fording, eds. Ann Arbor: University of Michigan Press. (forthcoming).

Duncan, Greg J., Kathleen Mullan Harris and Johanne Boisjoly. 2000. "Time Limits and Welfare Reform: New Estimates of the Number and Characteristics of Affected Families." *Social Service Review* 74, 1 (March): 55-75.

Eisinger, Peter. 1999. "Food Pantries and Welfare Reform: Estimating the Effect," *Focus* 20, 3 (Fall): 23-30: <http://www.ssc.wisc.edu/irp/pubs/foc203.pdf>.

Fine, Mary Jo. 2001. "Welfare-to-Work Moms Sue for Sex, Race Harassment." *Womensenews*. August 13: <http://www.womensenews.org/article.cfm/dyn/aid/240/context/archive>.

Goldberg, Heidi. 2001. "A Compliance-Oriented Approach to Sanctions in State and County TANF Programs—Summary." Washington DC: Center on Budget and Policy Priorities, March 28: <http://www.cbpp.org/3-28-01tanf.pdf>.

Gooden, Susan. 2001. "Using Performance Measures to Promote Racial Equality under TANF." In *Race, Welfare and the Politics of Reform*, Sanford F. Schram, Joe Soss, and Richard Fording, eds. Ann Arbor: University of Michigan Press. (forthcoming).

Loprest, Pamela. 2001. *How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*. Washington DC: Urban Institute, "New Federalism: National Survey of America's Families" Series # B-36: [http://newfederalism.urban.org/html/series\\_b/b36/b36.html](http://newfederalism.urban.org/html/series_b/b36/b36.html).

Lower-Basch, Elizabeth. 2000. "*Leavers*" and *Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes*. Washington DC: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, December: <http://aspe.hhs.gov/hsp/leavers99/race.htm>.

Porter, Kathryn and Allen Dupree. 2001. *Poverty Trends for Families Headed by Working Single Mothers, 1993 to 1999*. Washington DC: Center on Budget and Policy Priorities, August 16: <http://www.cbpp.org/8-16-01wel.htm>.

Schram, Sanford F. and Joe Soss. 2001. "Success Stories: Welfare Reform, Policy Discourse, and the Politics of Research." *The Annals of the American Academy of Political and Social Science* 577 (September): 49-65.

Sherman, Arloc. 2001. *How Children Fare in Welfare Experiments Appears to Hinge on Income*. Washington DC: Children's Defense Fund, August 22:  
<http://www.childrensdefense.org/release010822.htm#report>.

Soss, Joe. Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45, 2 (April): 378-95.

Zedlewski, Sheila, assisted by Amelia Gruber. 2001. *Former Welfare Families Continue to Leave the the Food Stamp Program*. Washington D.C.: The Urban Institute, "New Federalism: National Survey of America's Families" Series # B-33:  
[http://newfederalism.urban.org/html/series\\_b/b33/b33.html](http://newfederalism.urban.org/html/series_b/b33/b33.html).