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## The New World of Welfare

**Economic and Social Security  
and Substandard Working Conditions**

*The New World of Welfare.* Edited by Rebecca Blank and Ron Haskins. Washington, D.C.: Brookings Institution Press, 2001. xiii, 514 pp. ISBN 0-8157-1010-0, \$49.95 (cloth); 0-8157-1011-9, \$19.95 (paper).

On August 22, 1996, President Clinton signed the most comprehensive reform of the federal welfare system since the landmark Social Security Act of 1935. In Clinton's words, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) "end[ed] welfare as we know it." The major provision of PRWORA replaced the long-standing Aid to Families with Dependent Children (AFDC) entitlement program with Temporary Assistance to Needy Families (TANF), a block grant program with fixed funding. Unlike its predecessor, TANF allows families to receive benefits for no more than five years.

PRWORA was due for reauthorization in September 2002, but international and domestic turmoil led Congress to pass a continuing resolution that froze discretionary spending at fiscal year 2002 levels until March 2003. As of this writing (March 2003), PRWORA has not been reauthorized, although proposals are currently being debated in Congress.

With reauthorization looming, officials at several socially conscious foundations and institutions funded a conference aimed at providing legislators and other interested policy analysts with constructive information on the state of welfare and poverty research. The goal of the conference was to "shape a bipartisan consensus out of extensive research and analysis of the last decade." A diverse group of welfare reform experts was commissioned to write papers on a variety of issues. The funders chose Rebecca Blank and Ron Haskins, two influential social scientists representing both ends of the political spectrum, to organize the conference papers (along with discussant comments) into an edited volume. Blank, an economist, is Dean of the Gerald R. Ford School of Public Policy at the University of Michigan. Haskins, a developmental psychologist and one of the authors of PRWORA, is a guest scholar at the Brookings Institution.

The result is a fairly massive book with nineteen informative chapters. The editors note that more than 100 changes to the 1996 legislation are proposed in the book. However, some

of the proposals appear to be inspired more by political views than by the findings of previous research.

The book is divided into four parts. Part I is a single chapter by Blank and Haskins that gives an overview of the book. In this well-written and lively chapter, they describe the complex features of PRWORA and provide a set of recommendations on eleven crucial welfare reform issues. Blank and Haskins are careful to note the differences and similarities between their views. For example, Blank (the liberal) favors abolishing time limits and would like to allow noncitizens access to certain public assistance benefits. Haskins (the conservative) favors time limits and generally prefers excluding noncitizens from public assistance. On the other hand, both support giving states additional resources for child support enforcement and both are committed to the notion that policy research should play an important role in the legislative decision-making process.

The six chapters in Part II, "The Biggest Issues," will be of interest to both specialists and nonspecialists. Thomas Gais, Richard Nathan, and Lucie Schmidt describe implementation of PRWORA. One cannot help but be impressed by the vast complexity of issues facing the states in implementing the legislation and the enormous amount of interagency coordination required to operate the program effectively. Two chapters, one by Blank and Lucie Schmidt, the other by Haskins, document the sizable reduction in welfare caseloads and the corresponding increase in employment among single mothers receiving public assistance just before and after PRWORA was implemented. Blank and Schmidt point out that many factors besides PRWORA contributed to these changes, including a strong economy, increases in the minimum wage, and a major expansion in the Earned Income Tax Credit (EITC). They are quite concerned that the present structure of the program may be inadequate during an economic downturn, although they present no evidence as grounds for this fear. Haskins expresses concern about the significant percentage of families whose income falls after they leave welfare, and supports devoting more program resources toward helping these families.

In a chapter sure to inspire controversy, Charles Murray addresses the issue of family formation, focusing on marriage and nonmarital births. Murray argues that welfare reform has had only a modest impact on family formation, and he feels that reducing illegitimacy should be the central objective of welfare reform.

Murray repeats his oft-stated recommendation to assess the consequences of eliminating welfare entirely for unmarried mothers, the only policy that he believes will significantly reduce nonmarital births.

In two fascinating chapters, Hugh Heclo and Lawrence Mead describe the historical developments leading up to PRWORA. Heclo begins with the original Social Security Act of 1935, while Mead focuses on the "conservatism of recent welfare reform" that emphasizes reducing dependency, promoting work, and forcing absent parents to support their children. Heclo argues that PRWORA was shaped more by history than by research findings, a conclusion that might frustrate researchers but with which most experts would probably agree. Mead believes the conservative emphasis should continue to guide the reauthorization debate.

Parts III and IV consist of twelve chapters that will appeal mainly to specialists interested in the details of program design and researchers interested in the evaluation of specific aspects of PRWORA and associated programs. Topics covered include employment goals, state sanctions and time limits, financial incentives to work, work experience programs, the role of Medicaid and food stamps, the treatment of immigrants, family functioning and child development, the role of fathers and marriage, child support enforcement, child care, and the Supplemental Security Income (SSI) program.

One captivating feature of the book is the discussant comments. In many chapters, the discussants take issue with the authors' basic conclusions, so the reader gets different perspectives. For example, Douglas Besharov and Nazanin Samari argue in their chapter that current levels of child care funding under PRWORA are adequate, but Kristin Moore, Martha Zaslow, Sharon McGroder, and Kathryn Tout dispute that. Rebecca Maynard rejects Murray's proposal to eliminate welfare and proposes instead to fund programs to promote the institution of marriage (a similar recommendation is made by Wade Horn and Isabel Sawhill in their chapter).

*The New World of Welfare* has something of value for just about everyone interested in the welfare reform debate. Its vividly written chapters and vibrant commentary will serve as invaluable resources for assessing the merits of welfare reform issues for many years to come.

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*Raise the Floor: Wages and Policies That Work for All of Us.* By Holly Sklar, Laryssa Mykyta, and Susan Wefald. Cambridge, Mass.: South End Press and Ms. Foundation for Women, 2001. 242 pp. ISBN 0-89608-683-6, \$12.00 (paper).

The main purpose of *Raise the Floor* is to make a case for government policies that, according to the authors, would significantly improve living standards for low-income workers, particularly low-income female workers. The book, which is targeted at a general audience, is part of a campaign sponsored by the Ms. Foundation for Women and a number of local and national advocacy groups.

The authors focus on developing a four-part argument. First, a realistic assessment of family budgets indicates that the basic needs of most working families can be met only with an annual income that, depending on the family type, exceeds current U.S. poverty thresholds by 64% to 151%. Second, the current \$5.15-per-hour federal minimum wage falls far short of allowing the achievement of these "minimum needs" budgets for most families, even those with a full-time, full-year worker. Third, a minimum wage hike to \$8 per hour would help considerably toward achieving adequate living standards for many low-income families, and would not have significant negative effects on the overall U.S. economy or businesses. Finally, to make further progress toward adequate living standards for all families, this minimum wage hike should be supplemented by expanding a wide variety of government programs, including the Earned Income Tax Credit, a single-payer national health insurance program, refundable and expanded child and child care tax credits, and low income housing programs; and government labor relations policies should make it easier to successfully organize unions.

The book is most successful in convincing readers that there are problems with current U.S. living standards for low-income working families. It includes short vignettes, excerpted from journalistic news stories, showing some of the problems particular low-income working families face as they struggle to acquire the necessities of daily life. The authors' recommended family budgets for "minimum needs" are defensible, although obviously any such exercise involves many subjective judgments. As pointed out in a 1995 book by the National Academy of Sciences, setting a minimum living standard is ultimately a political decision.