

Decade of Welfare Reform Success

Then and Now: How Opponents’ Dire Predictions for Welfare Reform Turned Out

Key Facts

While today almost universally regarded as a major social policy success, welfare reform was bitterly opposed by many politicians, program experts, academics and mainstream media prior to its passage in 1996. Indeed, the rhetoric from opponents of welfare reform during the 1995-96 Congressional debate stands out as among the most heated in recent memory. Fortunately, there was a broad gulf between the dire predictions of opponents and what actually resulted from the 1996 reforms in the decade since:

Then: Pre-Reform Prediction	Now: Post-Reform Outcome
1. <u>Welfare reform will have devastating effects</u> : “This is not reform, it is punishment....The effect on cities will be devastating.” (<i>New York Times</i> , August 1, 1996)	“Welfare reform has been an obvious success.” (<i>New York Times</i> , April 8, 2002)
2. <u>Child poverty will rise</u> : Welfare reform “will hurt and impoverish millions of children.” (Marian Wright Edelman, Children’s Defense Fund, July 31, 1996)	Compared with 1996, in 2004 (the most recent year of data), 1.4 million fewer children lived in poverty, as the child poverty rate dropped 13 percent over this period. (US Census Bureau, 2004)
3. <u>Welfare reform will lead to more dependence</u> : “The Republican welfare reform proposal will make the problems of poverty and dependence much worse because it refuses to make work the cornerstone of welfare reform.” (Rep. Nancy Pelosi (D-CA), House floor debate, July 18, 1996)	Welfare dependence declined by record levels following the 1996 reforms, dropping an unprecedented 64 percent as nearly 8 million recipients left the welfare rolls. (Office of Family Assistance, U.S. Department of HHS)
4. <u>The safety net will be dismantled</u> : “By dismantling the social safety net to our children, the elderly and the poor, it would be a moral catastrophe.” (Rep. Charlie Rangel (D-NY), Press Release, July 31, 1996)	“(W)hile many people viewed TANF as a cut in federal spending in 1996, the effect has been the opposite as state initiatives to help low-income working families have benefited from the available funds.” (“Reforming Welfare Reform,” Center for Law and Social Policy, January 2001)

Background

As Congress debated what became the 1996 welfare reform law, the need for dramatic reform was obvious. The Aid to Families with Dependent Children (AFDC) program, created in the New Deal of the 1930s, actively discouraged work among welfare recipients – so it wasn't surprising that few did any work or training in exchange for their benefits. The AFDC program also was associated with rapidly increasing out-of-wedlock childbearing, including among teens, leading to long-term welfare dependence and poverty. Additionally, AFDC was marked by rapidly rising welfare caseloads in the early 1990s, adding billions of dollars in new welfare costs for taxpayers.

By 1995, reform seemed very possible. President Bill Clinton promised to “end welfare as we know it” during his 1992 presidential campaign. Congressional Republicans made welfare reform a signature initiative in their Contract with America, on which they campaigned before winning House and Senate control for the first time in 40 years in January 1995. Across America key governors like Tommy Thompson (R-WI) were testing welfare reform policies that quickly became intertwined with the national reform debate.

But despite the obvious need and prominent support for reform, opponents of welfare reform did not go away quietly. Liberals in the House and Senate fought reforms with their votes, but even more fiercely with their rhetoric. The horrors opponents predicted would be visited on Americans, and especially our Nation's children, were graphic:

- Families would be forced to live in cardboard boxes: “It will put 1 1/2 million to 2 1/2 million children into poverty. In about 1998, you're going to start to see the impacts on cities, with more homeless families. They can't pay the rent. You will wind up with people living under bridges and in cardboard boxes.” -Rep. Jim McDermott (D-WA), House floor debate, March 21, 1995
- Children would be forced into prostitution: “I am concerned, frightened, that this bill will leave children hungry and homeless. I am afraid the streets of our nation's cities might someday look like the streets of the cities of Brazil. Walk around there and you see children begging for money, begging for food, and even at 8 and 9 years old engaging in prostitution. Tragically, that is what happens to societies that abandon their children.” -Sen. Frank Lautenberg (D-NJ), Senate floor debate, August 1, 1996
- Children would be auctioned off: “If the work requirements are not met, and that means the people do not have jobs and families then get cut off because of the time limits in the bill, then what happens? What do these people do with their children? Do we put them on trains and send them out West? Do we scoop them out of alleys and auction them off?” -Sen. Carol Moseley-Braun (D-IL), Senate floor debate, August 1, 1996

- Infant mortality, crime, and other afflictions would soar: “The welfare bill will destroy [America’s] state of grace. In its place will come massive and deadly poverty, sickness, and all manner of violence. People will die, businesses will close, infant mortality will soar, everyone who can will move. Working- and middle-class communities all over America will become scary, violent wastelands created by a government that decided it has no obligations to its neediest citizens. In such a landscape, each of us becomes either predator or prey.” -Jill Nelson, *Nation* magazine, “Apocalypse Now,” August 26, 1996

Some opponents compared welfare reformers to genocidal maniacs or suggested reforms would have met the approval of barbarians.¹ And opponents even developed their own unique lexicon of the tragedies they predicted for the post-reform world. Ominous claims of an impending “race to the bottom”² or the commission of “legislative child abuse” were commonplace.³ Opponents also regularly invoked religion in an attempt to defeat reforms, suggesting their desperation: “The bill, which will devastate programs for the poorest among us, especially our children, is a moral outrage and an affront to the basic tenets of every religion.”⁴

Despite such horrific claims and forecasts, post-reform outcomes suggest children and families largely fared well in the wake of the 1996 reforms:

- (1) The share of never-married mothers (i.e. the group most likely to go on welfare) who work rose 34 percent between 1996 and 2004;⁵
- (2) The number of children in poverty fell by 1.4 million following reform, with the black and Hispanic child poverty rates falling dramatically;⁶
- (3) The incidence of child abuse and neglect declined by 19 percent between 1996 and 2004;⁷

¹ Rep. Cardiss Collins (D-IL) said the following during House floor debate on March 21, 1995: “If Attila the Hun were alive today and elected to Congress, he would be delighted with this bill that is before us today and proud to cast his vote for it.” Others, including Rep. John Lewis (D-GA) that same day, compared the Republican policies with Nazis concentration camps: “Read the proposal. Read the small print. Read the Republican contract. They are coming for the children. They are coming for the poor. They are coming for the sick, the elderly, and the disabled.”

² For example: “The concern about the ‘race to the bottom’ is not hypothetical. Based on state conduct in 1995 and state block grant proposals to date, there is clear evidence that in a block grant structure, some states would move to sharply reduce basic assistance levels.” From “Racing to the Bottom: Recent State Welfare Initiatives Present Cause for Concern,” by Mark Greenberg, Center for Law and Social Policy, 1996.

³ As Sen. Ted Kennedy (D-MA) put it: “There is a right way and a wrong way to reform welfare...Punishing children is the wrong way...The Senate is on the brink of committing legislative child abuse.” From Mea Arnold, “Fate of Poor Women on Congressional ‘Chopping Block,’” National Organization for Women, November, 1995.

⁴ Representative Charles Rangel (D-NY), “Cong. Rangel Calls On Religious Leaders To Fight ‘Cruel’ Welfare Plan.” Press Release, July 31, 1996.

⁵ Gary Burtless, the Brookings Institution, 2002 and Bureau of Labor Statistics.

⁶ U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2004.” August 2005. Available at: <http://www.census.gov/hhes/www/poverty/poverty04.html>.

⁷ U.S. Department of Health and Human Services, “Child Maltreatment 2004.” April 2006. Available at: <http://www.acf.hhs.gov/programs/cb/pubs/cm04/cm04.pdf>.

- (4) The infant mortality rate dropped 7.9 percent between 1995 and 2002, the most recent year of data;⁸ and
- (5) Violent crime victimization fell 54 percent between 1995 and 2004, including steep drops for rape, robbery and assault.⁹

Even as such unprecedented improvements unfolded in the years following the 1996 reforms, opponents' rhetoric shifted to suggest the strong economy, and not reform, was responsible for any improvements: "The strong economy and, in particular, the tight labor market have been central to TANF's functioning thus far."¹⁰ Such arguments conveniently ignored the fact that prior strong economies produced nothing like the post-1996 outcomes. Undeterred, many opponents including Marian Wright Edelman of the Children's Defense Fund predicted reforms would fail just as soon as a recession did hit: "I worry deeply about the absence of a safety net for those children and families when an economic downturn comes."¹¹

Yet once again, reform opponents were wrong. Welfare caseloads continued to trend down nationwide even after the 2001 recession, as more single parents continued to opt for work instead of welfare. As one welfare advocate and 1996 law opponent put it, "One of the great mysteries of social policy in the last few years is why welfare caseloads have stayed essentially flat or declined in much of the country, despite the economic downturn."¹² Others saw an obvious explanation: "'Former welfare recipients were entrenched in the work force,' said Marva Arnold, a senior official at the Human Services Department in Illinois, where the number of families on welfare has plunged 45 percent since January 2001, to 38,276. 'They have gained real work experience, including the skills needed to maintain employment.'"¹³ No wonder many have started to see welfare reform as "reasonably recession-proof."¹⁴

Fortunately for literally millions of children and families, the outcomes of welfare reform during the past decade disproved the wild and in hindsight bizarrely dire predictions of reform opponents. Future policy reformers should take heart from the outcomes of welfare reform – in which the volume and passion of liberal rhetoric against reform turned out to be inversely related to its accuracy.

⁸ Centers for Disease Control, National Vital Statistics Reports, Vol. 53, No. 10, November 24, 2004, p. 4.

⁹ U.S. Department of Justice, Bureau of Justice Statistics, "National Crime Victimization Survey Violent Crime Trends, 1973-2004." Available at <http://www.ojp.usdoj.gov/bjs/glance/tables/viortrdtab.htm>

¹⁰ Mark Greenberg and Jared Bernstein, "Reforming Welfare Reform." Center for Law and Social Policy, January 2001. TANF is the Temporary Assistance for Needy Families block grant program that replaced AFDC under the 1996 welfare reform law.

¹¹ "Welfare Reform's Success Isn't Unquestioned," *USA Today*, August 22, 2001.

¹² Robert Pear, "Despite Sluggish Economy, Welfare Rolls Actually Fell." *New York Times*, March 22, 2004.

¹³ *Ibid.*

¹⁴ Cheryl Wetzstein, "Welfare Rolls Down Despite Rise in Poverty, Census Bureau Says." *The Washington Times*, September 4, 2003.