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Endangered Welfare Reform

Is the Obama administration targeting the most successful poverty-reduction program in decades?

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Most bureaucrats make a virtue of obfuscation, but the Department of Health and Human Services has taken that tendency to new heights with a recent “Information Memorandum” easing the requirements of the 1996 welfare-reform law. To hear President Obama’s supporters tell it, the administration is simply tweaking the hugely popular and largely successful law. Opponents, on the other hand, believe that the administration is preparing to shred a bill painstakingly written, duly passed, and, over time, reauthorized by an elected Congress. Given the history of poverty policy in the United States and the modus operandi of the current president, it’s probably best to hope for the former but assume the latter.

Here’s what everyone agrees on about the memorandum. HHS has invited interested states to apply for waivers to the welfare-reform law, allowing them to “test alternative and innovative strategies, policies and procedures” to “improve employment outcomes.” The memo explains that “the Secretary is interested in using her authority to approve waiver demonstrations to challenge states to engage in a new round of innovation that seeks to find more effective mechanisms for helping families succeed in employment.” Who could object? Just about everyone wants to “improve employment outcomes.” And Republicans, in particular, like waivers when they devolve more control to the states, giving them power to experiment and innovate.

But the benign-seeming request for waivers has a decades-long backstory that rings alarm bells for all familiar with it. Under the old welfare regime—Aid to Families with Dependent Children—a welfare check had been an entitlement, available to any poor mother with no obvious means of support. AFDC had been intended to help widowed and abandoned mothers, but over time, never-married mothers came to dominate the welfare rolls and stay there, often for decades. Seeing that AFDC was encouraging mothers to be dependent and fathers to be feckless, policymakers tried various “demonstration projects” to reduce rolls. Most took the form of job training, education, and various support services, and they didn’t accomplish much. According to studies, including one by the Manpower Demonstration Research Project, what worked—that is, what got people off welfare—was getting a job. Period.

That principle, “work first,” was the radical essence of the 1996 reform. Welfare offices would become job-search centers, and time on government assistance would be limited to five years. Convinced that the new approach would create homeless, malnourished, and even abandoned children, liberals and the poverty establishment fought it tooth and nail. After President Clinton signed the bill, several top officials at HHS resigned in protest. What happened after 1996 should have embarrassed them into changing their minds. Mothers went to work in record numbers, black child poverty sank to its lowest rate in history (even during the Great Recession, it was lower than it had been before the reform became law), and welfare rolls plummeted. But a stubborn group of anti-reformers in academia,

government, and the nonprofit sector remained opposed to “work first,” convinced that it led to dead-end jobs and the stifling of individual ambition and talent. What the government owed the unfortunate, they argued, was not information about job openings but more “support services.”

This long-running battle between work hawks and doves explains why so much rides on the language of the Information Memorandum. When HHS asks for innovative strategies for “helping families succeed in employment,” does that mean more failed job-training programs and services of dubious relevance? There’s good reason to think so. Even after welfare reform was passed, states continued to demonstrate unusual creativity in defining work—excuse me, “work activities.” A 2005 General Accounting Office study of ten states found that five considered “caring for a disabled dependent” a work activity (it was categorized as a form of community service); six included substance-abuse treatment, three accepted domestic-violence counseling, and five accepted English as a Second Language classes. So would drug counseling count as a strategy to “succeed in employment” and be acceptable grounds for a waiver? It wouldn’t be surprising.

Not all reformers are so sure that the Obama administration wants to define welfare reform down. Ron Haskins, who worked on the 1996 law as a House Ways and Means Committee staffer and is now a fellow at the Brookings Institute, believes that the “work-firsters” have won the ideological battle. Given the enduring popularity of the reform, he thinks, the administration is unlikely to risk softening work rules and expanding welfare. At any rate, “No state wants their rolls to grow,” he says.

But if the HHS document is indeed trying to loosen work requirements, it may actually defy the law. Robert Rector of the Heritage Foundation, who helped write the 1996 reform bill, argues that it specifically denies waivers for work requirements. Congressional Republicans have also accused HHS of a “blatant violation of the law.” Many lawyers agree. They view the memorandum as an executive end run around Congress, much like the administration’s recent executive order liberalizing deportation policy for young illegals. Douglas Besharov, a professor of public policy at the University of Maryland and a major actor in reform circles, doesn’t mince words: “The intent of the administration is to change the way welfare reform is operated. The domestic policy staff doesn’t believe in ‘work first’; they want education, job training, and support. If they had their way, they would have gotten those provisions in the reauthorization. Now they see they will not control the House and it will be impossible to get through their policies.”

Thus the “executive overreaching,” as Besharov puts it, that, if done by a Republican, would lead to protests in the streets. If he’s right, we can bid farewell to welfare reform, the most successful attempt to reduce poverty in half a century.

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