



American Dream: Three Women, Ten Kids, And a Nation's Drive to End Welfare by Jason DeParle, Penguin Books, 2005; "What Happens to Families Under W-2 in Milwaukee County, Wisconsin: Report from Wave 2 of the Milwaukee TANF Applicant Study," by Irving Piliavin, Amy Dworsky and Mark Courtney, Chapin Hall Center for Children at the University of Chicago and Institute for Research on Poverty at the University of Wisconsin, Madison, Wisconsin, 2003.

Wisconsin was a leader in welfare reform in the 1990s and experienced huge reductions in the number of families on public assistance even before its TANF program, Wisconsin Works (W-2), came into existence in September 1997. In January 1987, more than 98,000 Wisconsin families received AFDC (i.e., aid to families with dependent children). "In August 1997, the month before implementation of W -2 began, 34,491 Wisconsin families were receiving AFDC. By August, 2000, the state's W-2 cash assistance caseload was 6,756 families; in other words, the number of families on welfare in Wisconsin declined by more than 90% in 13 years and most of the decrease occurred prior to the creation of W-2. The number of families receiving cash payments in W -2 increased to 9701 in July 2002; nevertheless, almost 25,000 fewer families were receiving public assistance through W -2 than were on AFDC in August 1997. These are astonishing reductions in number of families on welfare, far greater than either proponents or opponents of welfare reform anticipated. How and why these reductions occurred and with what costs and benefits to families is the subject of American Dream, a well written journalistic account of welfare reform in Milwaukee told from the perspective of three low income African American women and their children. DeParle has a novelist's interests in the lives of these three women and their families; and he does not use them as ideological pawns in a political debate about welfare reform.

"What Happens to Families Under W -2 in Milwaukee County, Wisconsin?" is an in-depth scholarly study of 1,082 W-2 applicants first interviewed between March and August 1999; 856 of these applicants were interviewed a second time between May 2000 and July 2001. The study also makes major use of administrative data collected by counties, private agencies and the state. It is worth noting that 75% of the W-2 applicants included in this study were African American; so, like American Dream, this study mostly describes the effects of welfare reform on low income African American women and their children.

According to DeParle, Wisconsin "took a voluntary program that emphasized education and made it a mandatory program that emphasized work." Piliavin, Dworsky and Courtney explain that with the exception of mothers of newborn infants, W-2 participants are placed in one of four "employment ladder" tiers; the four tiers are Case Management Only (unsubsidized employment), Trial Job (subsidized employment), Community Service Job (job training) and W-2 Transition for participants "who face

significant barriers to employment" such as a disability. Participants placed in W-2 Transition can be assigned to counseling, rehabilitation or other treatment activities for up to 28 hours per week and to education and training for up to 12 hours per week. Mothers of newborn infants are placed on one of the employment tiers when their infant is 12 weeks old.

A large number of welfare recipients responded to these rules by finding work in the low wage economy rather than working for their welfare grant. DeParle comments "It didn't take a time limit to cut the rolls. It didn't take a surge in the economy. It simply took a work requirement, strictly enforced." DeParle goes on to ask, "Why would so many ostensibly destitute people decline to work for welfare? One reason is that, as with Angie and Jewell (two of the women featured in American Dream) many were already working." Angie and Jewell had worked a considerable fraction of the time for years; "... as Angie and Jewell saw the world, if the money (welfare) was there, they were happy to take it; if not, they would make other plans. With welfare or without it, Angie said, "you just learn how to survive."

In addition, many entry level jobs paid more than the \$5.15 minimum wage W-2 paid for community service jobs, and entry level jobs were less likely to require demeaning make work tasks created only to keep W-2 participants busy. W-2 participants also found that the welfare bureaucracy in Milwaukee was not particularly efficient or competent in paying them for community service jobs. DeParle comments "... in the collective mind of the city's poor, one thought seemed to be forming: Why mess with these people?"

DeParle acknowledges that "Not everyone who left, left for a job. Some turned to relatives, some to boyfriends. Some were too sick, depressed or addicted to navigate the bureaucratic chaos." "Nationally, about one welfare mother in five earned nothing after leaving the rolls," an alarming statistic to say the least. What welfare reform appears to have done is create a survival test for single parent low income women which most of them successfully met; but a significant fraction of women who left welfare dropped out of sight. "How they survived remains unclear," DeParle comments.

DeParle, Piliavin, Dworsky and Courtney provide somewhat different information regarding the earnings of W-2 applicants and former welfare recipients in Milwaukee. DeParle states that "... if you count everyone leaving welfare, the average woman earned less than \$9,000 in her first year off the rolls. Count workers alone and the figure grows to \$12,000. Count steady workers ... and you get to \$14,500 (per year)." In Milwaukee, the earnings of the average "leaver" rose 26% over three years. Nevertheless, according to DeParle, "their annual earnings over the three year stretch (after leaving welfare) averaged just \$10,400." Based on administrative data, Piliavin, Dworsky's and Courtney's report indicates that the median earnings of their sample of W - 2 applicants in the year following the first interview was \$7500, almost a tripling of the group's earnings in the year prior to the first interview. Participants in W-2 earned about \$8500 in the year following the first interview. When food stamps, child support

and other governmental benefits are added to earnings, the median income of W-2 participants in the year following the first interview in Piliavin, et al's study was \$10,181.

Is it reasonable to describe a welfare to work program with these results an anti - poverty program? DeParle describes a study conducted by Maria Cancian and colleagues at the University of Wisconsin claiming that after three years, only 40% of those persons leaving welfare in Wisconsin had higher incomes than when they were on welfare. However, whether families are better or worse off economically after welfare reform has a lot to do with the level of benefits in states prior to programs like W-2, i.e., the more generous the benefits the less likely that welfare "leavers" would be earning more in the low wage economy. Most states had less generous welfare benefits than Wisconsin prior to the elimination of AFDC. Again, it appears that welfare reform separated low income single women on welfare into distinct groups: women who flourished in the work force, women who managed to tread water by barely making enough money to survive and women who vanished without a trace.

Angie in American Dream increased her income to over \$18,000 per year by working at gradually higher rates of pay in nursing homes. Jewell treaded water working in a variety of jobs; her income fell slightly after the implementation of W-2 in part due to health problems. Opal, the third main character in American Dream, became a drug addict, effectively gamed the welfare bureaucracy for years and eventually had her children removed from her by the child welfare agency. DeParle is caustic about the inefficiency, incompetence and even corruption of the W-2 bureaucracy and private contractors for leaving Opal on welfare as her addiction became an increasingly destructive force.

Welfare reform may have separated single parent low income women on welfare into economic winners and losers, but even the apparent winners still cope with extreme levels of material hardship. DeParle comments that "Depending on how the question is asked, a quarter to a half of former recipients report shortages of food. Similar percentages cite an inability to pay rent or utilities." "In my own travels throughout post welfare life, DeParle states, I was struck by how many working families complained about facing depleted cupboards - or about just plain going hungry." "The persistence of so much hardship poses a paradox. If incomes were rising, and poverty falling, why did so many people skip meals and fall behind on rent? The answer is the near poor live only slightly better than the poor." DeParle quotes the Economic Policy Institute to the effect that "real freedom from grinding need" doesn't occur for a family of five ( the size of Angie's family) until family income approaches \$40,000 per year. Concretely, what this means is that a high percentage of poor and near poor families live with food insecurity and about 15% (according to Piliavin, et al's study) periodically experience hunger. Fewer than 1 in 10 former welfare recipients in Wisconsin has an income which is double the poverty line, according to DeParle.

DeParle does not believe that welfare reform brought any tangible social benefit to the children in the families he describes. The notion that working families would transmit fundamentally different values to children than families on welfare ignores the reality

concisely summed up by Redd, one of Angie's kids, "Doesn't make no difference at all; she was working when she was on welfare." Angie's children ended up with large blocks of time without parental supervision and missed a large percentage of school days. DeParle comments, "While affluent parents endlessly complain of their kids' overscheduled lives, Angie's suffered from the opposite blight, long blocks of empty, unsupervised time, which grew longer the more she worked. Their childhoods passed on a sea of boredom, dotted by landfalls of chaos." Angie's children deeply resented their mother's boyfriends who came and went and longed for their incarcerated father.

Piliavin, Dworsky and Courtney describe high levels of CPS involvement among the W-2 families in their sample, much higher than among AFDC families. Almost half of the families had been investigated by CPS since 1989 and almost a quarter of the families had experienced a CPS investigation since the first interview in 1999. The median number of CPS investigations for families referred to CPS was three. A court ordered removal of a child occurred in 11.6% of W-2 families studied by Piliavin, et al since 1999. This is a far higher rate of child welfare involvement with families engaged in welfare to work programs than found in other studies. A history of prior child welfare involvement, degree of economic hardship and alcohol / drug problems were factors increasing the odds of a family being referred to CPS.

Information regarding the health problems of children in W-2 families is as concerning as these families' level of child welfare involvement. One quarter of families interviewed in the second wave of interviews in Piliavan, et al's study described a focal child's (one randomly selected child in the family) health as "poor" or "fair". Almost a third of parents indicated that there was a child in their family with a chronic health problem; 28.6% of children with chronic health problems had asthma.

Some encouraging and inadequately explained findings in Piliavan's, Dworsky's and Courtney's study is the reduction between the first and second interviews in W-2 applicants with self reported poor or fair health, persons involved in an unsafe relationship in the past year and persons with clinical levels of depression. During Wave One interviews in 1999 46.5% of W-2 applicants indicated that they were in poor or fair health; 16-20 months later about a quarter of applicants reported that they were in poor or fair health. Persons living in an unsafe relationship within the past year declined from 13.7% in 1999 to 8.2% at the Wave Two interview, a statistically significant difference. Applicants with clinical levels of depressive symptomology decreased from 47.4% at Wave One to 30.6% at Wave Two, also a statistically significant difference. The authors comment that these differences may be attributable to W-2 participants' access to services, an extremely important hypothesis if true. Another possible explanation is that work has a positive effect on depression and reduced depression improves health. These are findings which deserve an in- depth follow up study.

DeParle clearly believes that the jury is still out on welfare reform. Policymakers in both parties have been understandably impressed with the huge reductions in families on welfare and with the apparent lack of disastrous consequences, at least highly visible consequences. DeParle comments that "Milwaukee saw nothing like the waves of

dispossession that some people had feared -- no children "sleeping on grates"." There was a small increase in homeless families but "by any reckoning the homeless accounted for a tiny percentage of the ten thousand families who left welfare the first year." Food bank usage increased by 14% during the first year of W-2 but "child welfare cases remained lower than they had been at welfare's peak."

Nevertheless, it is obvious that welfare reform will lift few families out of poverty and the lives of former welfare recipients remain very difficult even when their incomes have markedly increased. One of the interesting themes in American Dream is the importance of the Earned Income Tax Credit (EITC) for increasing the incomes of poor working families, and the extent to which the EITC has been off the public policy radar screen. One unexpected benefit of welfare reform may turn out to be the shifting of the public conversation around poor families from a debate about the morals and life styles of welfare families to a greater focus on the working poor and their children.