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CENTER FOR LAW AND SOCIAL POLICY

BACKGROUND

Contact: Evelyn Ganzglass

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Ten Years after Welfare Reform, It's Time to Make Work *Work* for Families

(Washington, DC) – August 22, 2006 marks 10 years since the US ended “welfare as we know it” and moved to replace welfare dependence with “the dignity, the power and the ethic of work.” Along with a strong economy, expansion of the Earned Income Tax Credit and children’s health care coverage, more money to help low-income families pay for child care and improved child support enforcement during the 1990’s, welfare changes helped welfare recipients gain employment and contributed to increases in the real incomes of some working families.

Yet by any real measure of family well-being, low-income parents and their children are not thriving. The hard reality is that low-wage workers are no longer able to achieve economic security by “working hard and playing by the rules.” Structural changes in our economy mean that millions of low-income workers, including former welfare recipients, are working at wages that are too low, and at jobs that are too unstable, to allow them to escape poverty. They work hard month after month to pay their bills and manage their debts, unable to get ahead or put a little money aside. Many workers live below the poverty line — including nearly 3 million who work full-time, year round. Child poverty has increased after an initial decline, adding 1.4 million more children between 2000 and 2004 – a 12 percent increase.

Other barriers to achieving the goals of welfare reform remain as well. Those who have not left welfare struggle with low educational levels, learning disabilities, mental and physical health problems, substance abuse, domestic violence and other challenges that limit their ability to compete successfully in the labor market. Parents are paying huge percentages of their income for child care so that they can go to work—one study found that 40 percent of poor, single, working mothers who paid for child care paid at least half of their cash income for child care, leaving little over for rent, food, and clothes. A poorly designed, underfunded child welfare system leaves hundreds of thousands of children abandoned – more than 350,000 children receive *no services*– not even foster care – after child welfare agencies determine they have been abused or neglected and hundreds of thousands more children linger in foster care waiting for a permanent home.

CLASP believes that this anniversary is a time to look to the future and begin a national conversation about the policies that are needed to truly help all low-income children and their families succeed. The underlying premise of welfare reform was that work would enable recipients to move out of poverty; but the reality is that too many former recipients and other low-income workers are stuck in dead end jobs without a future. As a nation, we have a responsibility to ensure that the door of opportunity is open to all.

Evelyn Ganzglass, Director of Workforce Development at the Center for Law and Social Policy, said today, “We need to move beyond TANF, a program that serves an ever smaller share of low-income families and talk about what we as a nation can do to help all people find work that allows them to support themselves and their families and provide them with necessary supports to help their children grow and develop into healthy adults. We ask overburdened families to do more and more and provide them with less and less support to meet the new challenges they face in raising their children.”

CLASP believes that over the next decade, every aspect of American society, federal, state and local – public and private – will need to work together towards the implementation of a holistic set of strategies that truly expand opportunities for low-income families to move into the middle class and achieve the American dream. CLASP is contributing to the development of such a new approach by promoting policy innovations in the following key areas:

- Access to education and training that helps workers prepare for jobs that pay a living wage and benefits and enables them to advance along career paths to sustainable higher level employment.
- Cash assistance and help to families in overcoming barriers to employment.
- Work supports that “make work pay,” aid in employment retention and strengthen families.
- Help to families in finding and affording high quality child care from birth through school entry, and supports for child care providers to ensure that they can earn a living wage.
- Systemic approaches to reform our nation’s child welfare system in order to provide a range of services and supports to children and families and ensure the safety, stability and well-being of children.
- Child support systems that strengthen families, increase family income, and promote personal responsibility.
- Strategies to help disadvantaged men secure employment, overcome job discrimination, remain engaged with their families, and lead productive lives, including those involved with the criminal justice system.
- Integrated approaches to youth development that include supports for youth in school and alternative learning environments and those involved with the juvenile justice system.

Said Ganzglass, “The U.S. cannot be competitive in the global economy with so many of our children growing up outside the economic mainstream. We must develop more inclusive social and economic policies to help low-income individuals, families, and communities contribute to, and share in, the benefits of our nation’s prosperity. If welfare reform was about strengthening work ethic, today’s discussions should be about the ethics of work—the dignity of adequate wages and family supports.”