

**WELFARE: REFORM OR  
REPLACEMENT?  
(Short-term v. Long-term Dependency)**

---

---

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
SOCIAL SECURITY AND FAMILY POLICY  
OF THE  
COMMITTEE ON FINANCE  
UNITED STATES SENATE  
ONE HUNDREDTH CONGRESS

FIRST SESSION

—————  
MARCH 2, 1987  
—————

Printed for the use of the Committee on Finance



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1988

80-279

---

For sale by the Superintendent of Documents, Congressional Sales Office  
U.S. Government Printing Office, Washington, DC 20402

S361-28

**COMMITTEE ON FINANCE**

LLOYD BENTSEN, Texas, *Chairman*

SPARK M. MATSUNAGA, Hawaii	BOB PACKWOOD, Oregon
DANIEL PATRICK MOYNIHAN, New York	BOB DOLE, Kansas
MAX BAUCUS, Montana	WILLIAM V. ROTH, JR., Delaware
DAVID L. BOREN, Oklahoma	JOHN C. DANFORTH, Missouri
BILL BRADLEY, New Jersey	JOHN H. CHAFEE, Rhode Island
GEORGE J. MITCHELL, Maine	JOHN HEINZ, Pennsylvania
DAVID PRYOR, Arkansas	MALCOLM WALLOP, Wyoming
DONALD W. RIEGLE, Jr., Michigan	DAVE DURENBERGER, Minnesota
JOHN D. ROCKEFELLER IV, West Virginia	WILLIAM L. ARMSTRONG, Colorado
TOM DASCHLE, South Dakota	

WILLIAM J. WILKINS, *Staff Director and Chief Counsel*  
MARY McAULIFFE, *Minority Chief of Staff*

---

**SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY**

DANIEL PATRICK MOYNIHAN, New York, *Chairman*

DAVID L. BOREN, Oklahoma	BOB DOLE, Kansas
GEORGE J. MITCHELL, Maine	DAVE DURENBERGER, Minnesota
THOMAS A. DASCHLE, South Dakota	WILLIAM L. ARMSTRONG, Colorado

# CONTENTS

## ADMINISTRATION WITNESSES

	Page
Helms, Hon. Robert, Assistant Secretary, Planning and Evaluation, Department of Health and Human Services.....	11
Bode, Hon. John, Assistant Secretary, Food and Consumer Services, Department of Agriculture.....	13

## ADDITIONAL INFORMATION

Committee press release.....	1
Prepared statement of:	
Senator Daniel Patrick Moynihan.....	2
Senator George J. Mitchell.....	9
Prepared written joint statement of Robert B. Helms and John W. Bode.....	15
Prepared statement of:	
Dr. Ronnie Blakeney.....	33
Dr. Charles Blakeney.....	39
Robert L. Woodson.....	46
Richard P. Nathan.....	67
Working Seminar.....	84
David T. Ellwood.....	112
Ginnie Nuta.....	124
Jack Kammer.....	141
David L. Levy, Esq.....	148

## PUBLIC WITNESSES

Blakeney, Dr. Ronnie, clinical director, Berkeley Academy for Youth Development.....	31
Blakeney, Dr. Charles, Berkeley Academy for Youth Development.....	37
Woodson, Robert, president, National Center for Neighborhood Enterprise.....	43
Nathan, Richard, Woodrow Wilson School, Princeton University.....	60
Lenkowsky, Leslie, Institute for Educational Affairs.....	78
Novak, Michael, The American Enterprise Institute.....	78
Blum, Barbara, Foundation for Child Development.....	82
Jencks, Christopher, professor, Northwestern University.....	100
Ellwood, David, professor, John F. Kennedy School, Harvard University.....	105
Nuta, Ginnie, director of public affairs, Parents Without Partners.....	119
Kammer, Jack, executive director, the National Congress for Men.....	138
Levy, David L., Esq., president, National Council for Children's Rights.....	145

## COMMUNICATIONS

Coalition on Human Needs.....	155
-------------------------------	-----

# **WELFARE: REFORM OR REPLACEMENT?**

## **(Short-term vs. Long-term dependency)**

MONDAY, MARCH 2, 1987

U.S. SENATE,  
SUBCOMMITTEE ON SOCIAL SECURITY  
AND FAMILY POLICY,  
COMMITTEE ON FINANCE,  
*Washington, DC.*

The committee was convened, pursuant to notice, at 9:32 a.m. in room SD-215, Dirksen Senate Office Building, Hon. Daniel Patrick Moynihan (chairman) presiding.

Present: Senators Moynihan, Daschle, Dole, and Durenberger.

[The press release announcing the hearing and the prepared statements of Senators Moynihan and Mitchell follow:]

[Press Release No. H-16—Feb. 5, 1987]

### **SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY ANNOUNCES THREE FURTHER HEARINGS ON "WELFARE: REFORM OR REPLACEMENT?"**

WASHINGTON, DC.—Senator Daniel Patrick Moynihan (D., N.Y.), Chairman, announced today that the Subcommittee on Social Security and Family Policy of the Senate Finance Committee will continue with its series of five hearings on "Welfare: Reform or Replacement?"

The three upcoming hearings will focus on the following aspects of the welfare system:

February 20—Child Support Enforcement;

February 23—Work and Welfare; and

March 2—Short-term vs. Long-term Dependency.

Senator Moynihan stated that the Subcommittee expects to receive testimony at these hearings from expert witnesses as well as from individuals and groups with an interest in the welfare of children and families.

The Chairman said he anticipates that the witnesses will address such issues as: the basic principles that should guide legislative action on behalf of dependent children and their families; how parental responsibility for the care of children can be better enforced; how poor parents can be helped to increase their incomes through work; how government policy can effectively distinguish between households likely to be dependent for short and long periods of time; what role various levels of government ought to play; and how programmatic recommendations can be implemented in a period of fiscal restraint.

These hearings will begin at 9:30 a.m. on the dates shown above, in room SD-215, Dirksen Senate Office Building.

Our Children: Their Welfare, Our Future

Statement by  
Senator Daniel Patrick Moynihan  
Chairman

Senate Committee on Finance  
Subcommittee on Social Security and Family Policy  
Hearing V: "Welfare: Reform or Replacement?"  
Dirksen Senate Office Building  
Monday, March 2, 1987

Today, we conclude our first round of hearings on replacing the Aid to Families with Dependent Children (AFDC) program with a new national system of child support, a system that looks first to parents to support their children.

Since we began these hearings in late January, a heartening bipartisan consensus has emerged around three themes: First, in the case of single-parent families, absent parents (fathers 90% of the time) must systematically contribute a portion of their incomes toward their children's upkeep. Second, able-bodied parents have a responsibility to support their children by working. Third, when parental income from child support payments and earnings is still inadequate, supplemental assistance must be provided to the family.

#### Poised to Act

Last week, the National Governors' Association endorsed a plan to require AFDC mothers with children over the age of three to participate in state-designed education, training, and work-experience programs. The President has expressed his agreement with the direction the Governors are taking. Members of Congress have done likewise.

We have set our course and are poised to act. As we proceed, the challenge will be to act wisely, to target scarce resources to those most in need and to those who will best benefit: One size does not fit all.

### Short-Term vs. Long-Term Dependency

We have learned that the poor are not one undifferentiated mass of people. Their experiences and needs may vary widely. The 35 year-old divorcee and mother of a teenager, with some college education but no recent work experience, is not the same as the 14 year-old high school dropout with an infant. Both will need help, but different kinds of help.

The 35 year-old mother may need nothing more than some temporary income assistance, some advice on how to look for a job, and a chance to pull herself together in the wake of a traumatic divorce. The teenaged mother is likely to need intensive assistance to stay in school, to train for a job, and to learn how to care adequately for her baby.

In other words, there is a difference between people who have some trouble come into their lives and those whose whole lives are in trouble.

The statistics bear this out: About one-quarter of the AFDC caseload manages to leave the rolls within two years. More than half of those who ever rely on AFDC receive it for less than four years. Thus, for the majority of AFDC recipients, the program provides temporary assistance. But there is also that quarter of the caseload that receives benefits for ten years or longer. Although they are a clear minority of the caseload, they consume 60% of all benefits paid.

It is about these long-term dependent households that we ought to be most concerned. Fortunately, we have a good idea of which families are likely to become dependent for long periods

of time: Professor Ellwood and others report that those at greatest risk of becoming long-term recipients are young, never-married women who begin receiving AFDC when their children are under age three. Over 40% of these young, unwed mothers will spend a decade or longer on the AFDC rolls.

We also have a pretty good idea of the sort of education, training, and work programs these poor households need. A variety of such programs have been tested over the last six years and recent evaluations of these efforts show modest but measurable gains in work effort and earnings.

These same evaluations teach us that not everyone benefits equally from the same assistance: New applicants for welfare who have worked recently gain little from work and training programs. By comparison, new applicants without recent work experience can benefit substantially from such programs.

If we are serious about helping those dependent on welfare to become more self-sufficient, we should invest in education, training, and work-experience programs. We should design these programs with the understanding that not everyone will need the same services. We should give the Governors the flexibility and resources they need to operate these programs.

We should not, however, expect too much too soon. It has taken us over twenty years to get into this fix, we will not get out of it overnight. No matter how good these work and training programs are, they will not, by themselves, solve the problems of poverty and dependency. There are other things we can and should do, at the same time.



### Child Support, Health Care, and Child Care

We know, for example, that establishing more uniform and equitable standards of child support, together with mandatory and automatic wage-withholding, will improve the effectiveness of our child support program. Taking such steps will also send an important message to young men and women: If you are adult enough to bring a baby into this world, you will be responsible for supporting that child until he or she reaches age 18.

We also know that if we expect poor parents to work, we should make that obligation clear and remove barriers to employment: A poor single mother cannot work if she cannot afford child care or if she loses health care for her family when she accepts a low-wage job. A poor father is unlikely to work longer hours if he loses income assistance and health care for his family when he works one hour over 100 in a month.

### Providing Adequately for Children

In our four hearings to date, we have heard one thing again and again: The problem is not the AFDC program; the problem is how to provide adequate support for our children.

We are not doing so now: Today, one in four children is born in poverty; one in five under age 18 lives in poverty. Sixty percent of the children born in 1985 can expect to live in single-parent families -- usually with their mothers -- before reaching their 18th birthdays. Over half of the children living in single-mother families are currently poor. At the rate we are going, 38% of the children born in 1985 may become AFDC

recipients before reaching maturity. In the last 15 years, the inflation-adjusted AFDC benefit in the median state declined by one-third.

Is this the future we want for our children? I think not.

#### Our Children Are Our Future

Over the last 20 years, support for the AFDC program has eroded. The decline in the benefits we pay to poor children is evidence of this. Today, no one seems to like the program -- not those who administer it, not those who contribute their tax dollars to it, and not even those who benefit from it. We are, by now, familiar with the reasons why: The benefit structure is inequitable, payments are too often inadequate, the program discourages work, and it is administratively cumbersome.

Worse, the AFDC program does not do a good job of moving mothers off of welfare rolls and onto payrolls. Of course, it was never designed to do this. In 1935, when this program was enacted into law as Title IV of the Social Security Act, it was intended to pay widowed mothers to stay at home so that they could continue to keep house and look after their children. In those days, mothers did not work outside the home.

Times have changed. Today, 88% of single-parent families form because of divorce and illegitimacy. Today, nearly 70% of mothers with children between the ages of six and eighteen are in the labor force. Over half of mothers with children under age three are in the labor force. The majority of these mothers do not work full time; but they do work at least part time. It

is not unreasonable, therefore, that we have come to expect poor mothers to try and do likewise.

We have taken stock and are finally realizing how things have changed in the 52 years since the Social Security Act became law: The majority of children will spend some portion of their youth in female-headed families. These children will need and are entitled to support from their fathers. Women, even mothers, do work and are expected to work outside of the home to help support their children.

In the years it has taken us to understand these things, children, rather than the elderly, have become the poorest members of our society.

Today's children are tomorrow's labor force. Today's children are tomorrow's citizens. We had best start taking care of our children as if our future depended on it.

Statement by Senator George J. Mitchell  
Subcommittee on Social Security and Family Policy  
Hearing V: Short-Term vs. Long Term Dependency  
March 2, 1987

Mr. Chairman, I welcome the opportunity to participate in today's hearing and look forward to the testimony of a number of expert witnesses in the area of long-term vs. short-term dependency.

Welfare dependency is one of the central issues facing any study of welfare reform. As we continue to examine the existing welfare structure we must be acutely aware of the population that is now dependent on the federal government for support.

We must thoroughly understand the dynamics of welfare dependency in order to design a new welfare system which will encourage those on welfare rolls to become self-sufficient.

Any study of welfare dependency must take a careful look at the successes and failures of the WIN program - the only federal program designed to get welfare recipients off the rolls and into permanent employment.

In my home State of Maine, our WIN demonstration program - known as WEET, has proven to be a successful model. The WEET program has provided education and training for thousands of Maine's welfare mothers, resulting in permanent employment in jobs which pay significantly higher wages than they received while on welfare.

While there is debate over the success rate of the WIN program in all states, we must not forget the crucial ingredient of WIN - placing welfare mothers in permanent employment that pays a living wage. Providing career education and training which prepares welfare mothers for jobs as laboratory technicians and carpenters - not "make-work jobs."

Mr. Chairman, I commend you for your commitment to the goal of welfare reform and look forward to working with you to develop a viable program which will make working for a living a truly viable option for those now dependent on the federal government.

Senator MOYNIHAN. A very good morning to all of our guests and our witnesses. This is the fifth and final hearing of this Subcommittee on Social Security and Family Policy that we are having on welfare. The President indicated a year ago that he wanted the Congress to be concerned with this issue. We seem to be having most of these hearings on Monday mornings. The weather started out terrible and then got worse and now it has gotten better. That may be something of an omen.

I might say that last Monday afternoon we met with a group of Governors who came to give us their proposals. Governor Castle of Delaware, who appeared before us earlier, is chairman of the NGA Task Force on Welfare Prevention. Governor Dukakis visited a week ago Friday, and Governors Kean, Gardner, and Ashcroft appeared last Monday.

I must say that things are now accumulating. Ideas have been generated, and I think we have an opportunity that is rare, that comes every decade. Hopefully all these ideas will generate some positive change.

Now, I have a statement that I will include in the record at this point. And we will proceed directly to the moment we have been waiting for for some time, which is to hear a panel representing the White House Domestic Policy Task Force. They will discuss the legislation the President has now sent to Congress, or will do today. I guess I am not sure whether it was introduced on Friday or not, but Senator Dole and I have introduced it by request and others have joined us; and we very much look forward to hearing from this panel. We have John Bode, who is the Assistant Secretary for Food and Consumer Services, Department of Agriculture; the Honorable Robert Helms, Assistant Secretary for Planning and Evaluation, Department of Health and Human Services; Dr. and Mrs. Blakeney, the Berkeley Academy for Youth Development at Berkeley, California; and Mr. Robert Woodson, President of the National Center for Neighborhood Enterprises in Washington, DC.

We are going to have to adhere to our 10-minute rule and perhaps you can even attenuate that. Dr. Helms, we welcome you, and Mr. Bode. I think Mr. Bode is first on the list.

Mr. BODE. Mr. Chairman, with your permission, Dr. Helms and I will summarize our statement, and Dr. Helms will speak first.

Senator MOYNIHAN. Please go ahead.

**STATEMENT OF HON. ROBERT HELMS, ASSISTANT SECRETARY,  
PLANNING AND EVALUATION, DEPARTMENT OF HEALTH AND  
HUMAN SERVICES, WASHINGTON, DC**

Dr. HELMS. Mr. Chairman, it is a pleasure to appear before you and the subcommittee this morning. You are well known for your research and writing on today's topic, the reform of our welfare system. Since we know that you are a person who cares about the application of the social science research and the formation of public policy, we are here today to make a plea to you and to the Congress that in this reform movement we do the right thing for a change, not throw away the opportunity to do any more. We also happen to be representing the President, who like yourself has

been speaking out about the need to break the cycle of dependency, now faced by so many of our citizens.

John Bode and I are two of several members of the White House Domestic Policy Council's Low-Income Opportunity Working Group, set up by the administration for Federal and State programs designed to help the poor. We have submitted for the record our formal remarks, and I will try to tell you some of the problems we identified in our study, "Up From Dependency," and then my colleague, John Bode, will tell you about the administration's proposal to solve these problems in the legislative proposal.

America's public assistance system is composed of 59 major Federal welfare programs on which Federal and State governments spend more than \$132 billion. These 59 programs comprise a centralized welfare system that requires over 6,000 pages of Federal law and regulation, is overseen by a score of congressional committees, managed by eight major Federal Departments, through numerous agencies in the 50 States and territories, through hundreds of thousands of welfare workers. The Census Bureau estimates that more than 50 million Americans benefit from some welfare program during the course of the year.

Now, our study made an effort to talk to a large number of people who work in or are served by these numerous programs. One of the most obvious problems they identified was that in a welfare system with its multitude of programs, with its excessively complex regulations, diverse eligibility requirements, and varying benefit levels often leads to confusion and demoralization for poor families seeking assistance. While each of these programs was developed to solve a specific problem, they have contributed to the welfare system becoming a maze of overlapping and, in some cases, unresponsive programs.

One of the justifications of the many and complex rules in the welfare system is that it ensures that welfare goes only to the most needy. Upon inspection, however, the complexity of the system often undermines this goal. In fact, current welfare spending is more than twice as great as the "poverty gap," or the amount it would take to lift all Americans above the official poverty level. This means that many Americans who are not needy receive welfare. Because individual needs and capabilities differ so greatly, we feel that public assistance benefits and opportunities should not be tied to a federally determined standard.

The welfare system also creates incentives that undermine the attractiveness of work to welfare recipients. Many welfare recipients can receive more on welfare than they can earn by working. There are various ideas being proposed by the States and by various study groups and by Congressional sponsors that we would like to see put to the test in well designed experiments before we decide on the one right solution. In addition to State experimentation, our study has focused on efforts of their own people to help those in their own communities.

Lastly the traditional responsibility of the local community to aid those of its members who are in need of assistance has become undermined by the tendency to impose solutions constructed in Washington. In bypassing the community, Federal welfare ignores local resources that could help support individuals and families as

they attempt to escape dependency. There is now general and, apparently, bipartisan agreement that the welfare system needs to be overhauled. While there is much consensus on the direction of reform, there are many issues for which there is no agreement. So, we are really proposing that we not lock ourselves into one particular welfare reform, and we want a system that will give the States the opportunity of experimenting.

There are several reasons for conducting many different demonstrations simultaneously. It is not obvious that what works in one part of the country would be effective some place else. Similarly, because the welfare population is heterogeneous, the needs of population subgroups will differ. The proposed demonstrations would free States to tailor assistance to the specific needs of these groups and the localities in which they live, while at the same time meeting broad, national goals for welfare. Also, because there is little agreement on the best approach to take, operating several demonstrations allows many new, innovative ideas to compete in a positive manner to discover how best to promote self-sufficiency and economic independence.

Federal legislation enacted since 1981 has given States new tools and increased latitude to undertake employment and training programs designed to increase the self-sufficiency of welfare recipients. Numerous State governments have taken advantage of these laws to implement reforms which put a premium on reducing dependency and instilling a sense of pride and accomplishment among welfare recipients. Given the heartening response to the changes made to date, there is every reason to believe that new proposals will lead to significant reform.

My colleague, John Bode, will talk about the proposals in the Administration's bill.

**STATEMENT OF HON. JOHN BODE, ASSISTANT SECRETARY, FOOD AND CONSUMER SERVICES, DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Mr. BODE. Mr. Chairman, the President has transmitted to Congress a proposed invitation to each of the States to restructure and improve our welfare system. The initiative to give our Nation's complete welfare system a careful reexamination allows us to get promising ideas for an overhaul of today's welfare programs. We expect States to come forward with ideas that bring some order to the unruly tangle of programs that are authorized at the State as well as Federal levels. Under this approach, the welfare system, rather than just a few programs, can be examined and improved.

States would file for waiver authority to establish demonstration projects that test alternatives to our present system. In certifying a demonstration, the State's filing would be considered in light of how it ensures that public assistance is an adequate supplement to other resources and how individual responsibility would be fostered while dependency is discouraged.

States would be allowed to incorporate into a demonstration project all of the Federal funding the State otherwise would receive from certain Federal programs and the State funding that would have been required. So that the entire welfare system is consid-



ered, States would be allowed to include in their demonstration projects any of the programs intended to alleviate poverty. The State's filing for demonstration waiver authority must make clear exactly what the State intends to do, including which programs would be included, who would participate, principles for eligibility and benefit determinations, the form and amounts of benefits, and innovative ways in which the demonstration is expected to meet both the needs of the low income population and reduce dependency.

We look forward to learning of the involvement of low income communities in supporting the efforts of individuals and families to become self-sufficient. Along with other specifics of the scope of the demonstration, the filing must describe the evaluation efforts the State plans to undertake. Of course, at the end of the demonstration, we intend to have acceptable evidence as to whether the demonstration succeeded in its objectives or not.

Mr. Chairman, the Governors have made it very clear to us that they need a single place in the Federal Government to bring their reform ideas. So, the President has proposed the establishment of an Interagency Low-Income Opportunity Board. The Board would certify appropriate State filings, oversee the demonstration projects, in particular to assure appropriate evaluations, and regularly report to Congress. The Board would be composed of its chairman, who would be appointed by the President, and representatives of the Departments with responsibility for the Federal programs that would be affected.

The Low-Income Opportunity Improvement Act of 1987 provides a reasonable course for reform of the system of welfare programs. Waiver authority would be broad enough to allow a community to improve the way the system works, not just this program or that program. Care would be taken that the rights of low-income people are protected, and that needs of low-income people are met. We would learn more about reducing dependency because we would have sound evaluations of the demonstrations, particularly helped by learning of the experiences of self-help leaders around the country, and in the hope that this will yield a system that is more hospitable to self-help initiatives.

Most important, State and community efforts to target the taxpayers' dollars better to those in need, to encourage employment, and to increase individual choice would result in more low-income families achieving self-sufficiency.

Senator MOYNIHAN. I have been trying to find an acronym for your agency—which we always do—but I find I cannot do that. [Laughter.]

Mr. BODE. I hope you are relieved.

Senator MOYNIHAN. I believe Dr. Blakeney is our next witness.

Dr. C. BLAKENEY. Dr. Ronnie Blakeney will speak first.

[The prepared written joint statement of Dr. Helms and Mr. Bode follow:]

Statement of  
Robert B. Helms, Ph.D.  
Assistant Secretary for Planning and Evaluation  
Department of Health and Human Services  
and  
John W. Bode  
Assistant Secretary for Food and Consumer Services  
Department of Agriculture

Before the  
Finance Subcommittee on  
Social Security and Family Policy  
U. S. Senate

March 2, 1987

In his State of the Union Address a year ago, the President called for an evaluation of all programs that meet the financial, educational, social, and safety concerns of poor families and a new strategy to promote "real and lasting emancipation" from welfare. In response to the President's charge, the White House Domestic Policy Council's Low-Income Opportunity Working Group made an exhaustive study of welfare and poverty. This report, Up From Dependency, was based on discussions with Americans from all walks of life, including current and former welfare recipients, those who deliver public assistance, the nation's governors, government officials, scholars, and many others. The report assesses the welfare system and its successes and failures, describes the frustrations felt by America's poor, and proposes a basic change in public assistance policy, which has now been incorporated into legislation which was submitted to Congress last week.

America's public assistance system is composed of 59 major federal welfare programs on which federal and state governments spent more than \$132 billion in fiscal year 1985. These 59 programs comprise a centralized welfare system that requires over 6,000 pages of federal law and regulation, is overseen by a score of Congressional committees, managed by eight major federal departments, through numerous agencies in the 50 states and

territories, through hundreds of thousands of welfare workers. The Census Bureau estimates that more than 52 million Americans benefit from some welfare program during the course of a year.

One of the most obvious problems with the welfare system is that this multitude of programs, with its excessively complex regulations, diverse eligibility requirements, and varying benefit levels often leads to confusion and demoralization for poor families seeking assistance. While each of these programs was developed to solve a specific problem, they have contributed to the welfare system becoming a maze of overlapping, and, in some cases, unresponsive programs -- a system which is also inefficient and expensive to administer.

From a policy-maker's perspective it can be difficult to keep sight of the different goals, different target groups, and different services of each of these programs. From the welfare recipient's point of view, the system is so complex it can be impossible to figure out how to get the help that is needed. Currently, families may have to go from office to office to apply for assistance from several programs. Even when programs are administered in one location, often a family will need to see different eligibility workers for different programs. Recipients also say that the rules and reporting demands often strip them of dignity and stigmatize them as lazy and dishonest.

Not only is the complexity of the system frustrating for recipients, but the trend toward non-cash benefits has diminished their personal choice and self-responsibility. Welfare recipients can spend cash to meet their needs as they see them, but with non-cash benefits they become more dependent on the decisions of others.

One of the justifications for the many and complex rules of the welfare system is that it ensures that welfare goes only to the most needy. Upon inspection, however, the complexity of the system often undermines this goal. In fact, current welfare spending is more than twice as great as the "poverty gap," or the amount it would take to lift all Americans above the official poverty level. This means that many Americans who are not needy receive welfare. This can happen when the rules do not specifically target those in need and when non-cash benefits and the income of other family or household members are often ignored in determining eligibility and benefits. Because individual needs and capabilities differ, public assistance benefits and opportunities should not be tied to a federally-determined standard. Whenever possible, precision must be applied to determine individual needs and benefits must be tailored accordingly.

The welfare system also creates incentives that undermine the attractiveness of work to welfare recipients. Many welfare

recipients can receive more on welfare than they can earn by working. There is no clear evidence on how welfare benefits should be structured to produce greater work effort. For example, altering the benefit reduction rate when earnings increase may promote work effort for some welfare recipients, but may provide incentives for others to reduce their work effort to get more welfare and leisure time.

Welfare's impact on poverty cannot be separated from its impact on families. Among the welfare poor today, families as we usually think of them often are not being formed. Since 1960, the percentage of babies born to unmarried mothers has more than tripled, and too often these babies are being born to mothers and fathers who are themselves only children.

Lastly, the traditional responsibility of the local community to aid those of its members who are in need of assistance has become undermined by the tendency to impose solutions constructed in Washington. In bypassing the community, federal welfare ignores local resources that could help support individuals and families as they attempt to escape dependency. The welfare system cares mainly that benefits and services are delivered and rules obeyed. Instead of involving citizens actively in their community's efforts to resolve its local problems, the modern welfare state

does not actively promote the integration of state, local and voluntary resources.

There is now general and, apparently, bi-partisan agreement that the welfare system needs to be overhauled. While there is much consensus on the direction of reform, there are many issues for which there is no agreement. Attempting to work them all out again on the national level could once again doom any meaningful welfare reform, as it has several times in the past. While we have some research on work requirements, when it comes to sweeping changes to restructure the whole welfare system, we have to honestly admit that current research and demonstration results do not provide a basis for knowing what will work and what won't on a system-wide basis. On this point, it's useful to remember past experiences with major "welfare reforms." Over a period of years, both Republican and Democratic Administrations introduced varieties of welfare reform proposals based upon the negative income tax. The Income Maintenance Experiments, the largest in Seattle and Denver, led to results contrary to initial expectations. As a result, even some of the strong supporters of those welfare proposals now agree that it was best that they were not adopted into national law. We need further experimentation, supported by sound evaluation, before we embark on national system-wide welfare reform.

As we examine the potential for reform, we must be as cautious in designing changes as we are firm in our commitment to make them. Millions of people depend on welfare for sustenance; untested changes in national rules and benefits can easily make matters worse. Our changes must be real improvements: they must encourage real self-reliance among individuals and families, and they must enable communities to strengthen themselves. There will be many proposals for sweeping restructuring of our complex public assistance system. Much of the work needed to rebuild the welfare system requires new conceptualization of old problems, bold innovation, and responsiveness to local conditions. Before we make changes to the system as a whole from the top down, we should seek evidence from the bottom up about what works in real communities and states.

There are several reasons for conducting many different demonstrations simultaneously. It is not obvious that what works in one part of the country would be as effective some place else. Similarly, because the welfare population is heterogeneous, the needs of population subgroups will differ. The proposed demonstrations would free states to tailor assistance to the specific needs of these groups and the localities in which they live, while at the same time meeting broad, national goals for welfare. Also, because there is little agreement on the best approach to take, operating several demonstrations allows many



new, innovative ideas to compete in a positive manner to discover how best to promote self-sufficiency and economic independence. Federal legislation enacted since 1981 has given states new tools and increased latitude to undertake employment and training programs designed to increase the self-sufficiency of welfare recipients. Numerous state governments have taken advantage of these laws to implement reforms which put a premium on reducing dependency and instilling a sense of pride and accomplishment among welfare recipients. Several rigorous evaluations have been done of the innovative reforms in AFDC, and we have learned valuable lessons from them: AFDC recipients want to work, and employment and training programs can give them the skills and experience they need to work. Given the heartening results of the states' innovations in AFDC, there is every reason to believe our new proposal will lead to other significant reforms in a broad range of programs.

Despite the negative impact of the Federal welfare system, there are hundreds of community self-help initiatives around the country. These projects are described in a separate volume of the President's welfare study. Any successful welfare reform effort must acknowledge the importance of creating solutions that can adapt to the unique character of 50 states and thousands of diverse communities.

The President's proposal, described later in this statement, presents a unique opportunity for those of differing perspectives to work together toward a vastly improved welfare system. It offers a chance to strengthen the existing system by creating an opportunity for testing new and better ways of helping the poor. The report, Up From Dependency, outlines 10 specific goals to guide states, local governments, community organizations, and individuals in building a better welfare system through innovative experimentation. These goals are:

1. Insure that public assistance is an adequate supplement to other resources in meeting essential needs.
2. Focus public assistance resources on efforts to reduce future dependency on public assistance.
3. Individualize determinations of need for public assistance, and make such determinations, to the extent possible, through local decisions.
4. Provide public assistance only to those in need and only to the extent of that need.
5. Make work more rewarding than welfare.
6. Require that those who are able to work do so for their public assistance benefits.
7. Encourage the formation of economically self-reliant families.

- 9 -

8. Require public assistance recipients to take greater responsibility for managing their resources, and encourage community-based administration of public assistance.
9. Create opportunities for self-reliance through education and enterprise.
10. Reduce the future cost of public assistance by reducing the need for it.

The "Low-Income Opportunity Improvement Act of 1987," which the President transmitted to Congress on February 26, 1987, and which has been introduced as S. 610, creates a process by which we can reach these policy goals. The report to the President emphasizes that welfare is a system of programs. Our legislative proposal treats public assistance as a system too. The bill provides broad waiver authority to make possible state-sponsored, community-based demonstrations of alternative welfare programs. A few programs currently have limited waiver authority to test alternative ways to meet their objectives. However, waiver authority does not exist which cuts across program lines to allow for systemwide demonstration efforts. We are proposing to allow states to incorporate into a demonstration the funding they otherwise would receive from any program that alleviates poverty. In addition, the program must either currently have a means test, either in law or in practice - that is, income and resources must be under a certain level in order to be eligible; or the funds must be distributed to grantees by some method which

- 10 -

includes the size of the low income population. This covers a wide range of programs.

There has been considerable alarm expressed about which programs might be included. We think that putting the criteria in the statute, instead of a list of programs, will make clear that we are talking about programs which are intended to help low income people. The report to the President includes a table of the anti-poverty programs we have identified. We don't expect that any state will want to include in its demonstration all of the programs which currently fit these criteria. In fact, there probably are some means-tested programs which no state would want to include. All the same, it is important to recognize the systemic nature of welfare. Under the bill, we'll look closely at a state demonstration that proposes to include any program fitting the general criteria.

The state's filing for demonstration waiver authority must make clear exactly what the state intends to do; specifically, which programs will be included, who will participate, principles for eligibility and benefit determination, the form and amount of benefits, and innovative ways in which the demonstration is expected to both meet the needs of the low income population and reduce dependency. Involvement of communities in supporting the efforts of individuals and families to become self-sufficient must be described. Along with other specifics of the scope of

- 11 -

the demonstration, the filing must describe the evaluation efforts the state plans to undertake so that at the end of the demonstration we will have generally acceptable evidence as to whether the demonstration succeeded in its objectives or not.

One thing we've heard over and over again in discussions with the Governors is that they need a single place to which they can come to get federal approval for their welfare reform ideas. To accommodate these wishes, we propose that state filings be submitted to an Interagency Low-Income Opportunity Board. The Board will be made up of representatives of the Departments with responsibility for the major public assistance programs. The Board's Chairman will be appointed by the President. The Interagency Low-Income Opportunity Board is intended to speak with one voice to the states while still reflecting the various voices of the executive agencies responsible for public assistance programs. If the Board's Chairman determines that a filing meets the programmatic and budgetary requirements in the bill, that the civil rights of individuals and families, under all applicable laws, will be protected and that the proposed demonstration is structured to permit a sound evaluation of its results, the filing will be certified.

The agencies with responsibility for the programs included in the demonstration will make estimates of the amount of funds the demonstration site would have received during its first year

- 12 -

under the laws then in effect. That will be the amount payable to the state for expenditures under the demonstration. Since many of these demonstrations will not be statewide, the federal agencies will have to review and use information supplied by the states to determine just what the funding for the included programs would have been in the communities included in the demonstrations. Each year's funding for the demonstration will be calculated based upon the laws in effect for the included programs. What this means is that if the allocations or funding levels for national programs change, the demonstrations will be affected in the same manner. We think this method of funding will show the continued support of the Administration for the demonstrations.

We think our commitment to the demonstrations is evident as well in the provision that permits states to keep any funds they save by making gains in reducing dependency. The bill would permit a state to put these savings to any use which primarily benefits the low income people of the demonstration area.

We have confidence that both federal and state welfare program resources could be used with considerably more effectiveness if we gave governors the flexibility to design demonstration programs according to the needs and realities of their states and communities. Governor Sununu of New Hampshire made clear in his remarks before the Committee on Ways and Means that if the choice

were more dollars with federal strings or more flexibility to use the dollars he was getting now, he'd want the flexibility. We believe many governors share that view. As documented in Up From Dependency, there is sufficient Federal and state funding out there now in dozens of programs to both reduce dependency and meet the needs of those who cannot provide for themselves. What we need to do is make the best use of the resources that we possibly can.

The bill also provides for sound evaluation of the demonstrations. This is a hard lesson we learned with the CETA and WIN programs. Like the negative income tax proponents, every advocate of a program is sure that it will succeed. However, work and training programs haven't always had the kind of evaluations which stand up to scientific scrutiny. Evaluation can provide the means to contemplate policy changes. For example, today it is hard to find someone who disagrees with the idea that AFDC recipients should participate in work activities. One important reason for the consensus is that there have been a series of well designed evaluations of the impact and cost effectiveness of these work activities. They work and we can show it. So our bill provides for evaluations of the demonstration programs, so that the results will be carefully measured.

- 14 -

The Governor in the state undertaking a demonstration must submit a final report to the Board assessing the demonstration's achievements and shortcomings, including recommendations regarding the demonstration's national significance. The Board's chairman must submit an annual report to Congress regarding the progress of the demonstrations.

In summary, we think the Low-Income Opportunity Improvement Act of 1987 provides a reasonable course for reform of the system of welfare programs. Waiver authority will be broad enough to allow a community to improve the way the system works, not just this program or that program. Care will be taken that the rights of low income people are protected, and that needs of low income people are met. We will learn considerably more about what works to reduce dependency because we will have sound evaluations of demonstrations drawing from the bottom up on the experience and innovations of communities and states.

Most important, Mr. Chairman, state and community efforts to better target welfare resources, eliminate or reduce work disincentives, increase individual choice, and strengthen families will result in new and exciting opportunities for low-income individuals and families to increase their social and economic self-sufficiency.



Mr. Chairman, we believe that the President's proposal offers an exciting opportunity to improve the effectiveness of this nation's welfare system. We know you share our belief that the current system is badly in need of reform. We look forward to working with you on the passage of welfare reform legislation this year that would provide both broad demonstration authority for states to reform the welfare system as a whole, and that would provide immediate opportunities for AFDC families through the Greater Opportunities through Work proposal.

**STATEMENT OF DR. RONNIE BLAKENEY, CLINICAL DIRECTOR,  
BERKELEY ACADEMY FOR YOUTH DEVELOPMENT, BERKELEY,  
CA**

Dr. R. BLAKENEY. I am Dr. Ronnie Blakeney, and I am clinical director of Berkeley Academy, and have been working for welfare reform in varying capacities for 20 years.

I was a community organizer and sponsor for welfare rights in New York, California, and here in Washington. With my husband, Charles, I consulted with then Governor Reagan's administration on welfare reform in California; and most recently, we advised the National Association of Neighborhoods on a 22 city study of the experiences of welfare recipients and former recipients. Today, I will summarize the findings which my husband and I describe in detail in the forthcoming volume, "Dilemmas of Dependency: A View from Across the Nation."

In neighborhood roundtable discussions with over 200 predominantly former welfare recipients, we learned that welfare is both an economic problem and a moral problem, and it has been for years. There was a time when welfare was the means by which the Government took care of those who were unable to care for themselves; but from all across the Nation we heard a groundswell, a mandate, a movement to not only reform, but reformulate the welfare system.

Neighborhood roundtable participants told us that the time has come to abandon our paternalistic system and to form a new alliance, a new partnership between those who need assistance and those who provide it. This partnership must reflect a commitment to respect the dreams of those in need and to reignite determination of the poor to become self-reliant.

We found substantial agreement on basic principles.

We Americans believe as much in helping those in hard times as we do in the possibility of achieving dreams through opportunity and determination. We Americans believe in justice. We believe that our rights must be balanced with responsibilities.

The question—and to my mind, the only question—up for debate is: How do we create a strategy which ensures a fair balance between the partners, a balance between rights and responsibilities which is more than a deal, in which we do more than punish those who fail to comply and reward those who cooperate? How do we create a partnership which ensures justice and compassion?

In our 22-city study, former and current welfare recipients told us that for individuals and families to climb up from dependency, people must be allowed to use their own will and determination, and appropriate transitional resources and opportunities must be provided to help achieve self-reliance. In the study, we asked the roundtable participants who should decide about the appropriate match between dreams, determination, and transitional resources.

We asked how they themselves had succeeded in moving beyond welfare. There was substantial agreement on basic ideals: that there is dignity in labor; that family formation and maintenance was usually better than solitary struggle; that people need transitional resources in their efforts to move beyond dependency; that

people want to control their own destinies to the extent that doing so is compatible with family and community life.

All across America, we heard stories of courage, pride, and determination. Single mothers who organized day care cooperatives and craft cooperatives and import-export business in Baltimore. We talked with former steelworkers who had retrained as accountants and librarians, and with former farmworkers who became secretaries, administrators, and factory workers. We talked with physically handicapped attorneys and with older Americans who created a food bank.

We talked to people who could hold their heads high, and whose children could look up to them. And when asked how they might reformulate the system consistent with their ideals, there were many different and often contradictory ideas of what would work and how to help. In some communities, there was substantial agreement that absent fathers should be required to contribute child support or to perform community service. But elsewhere, there was agreement that too many nonsupportive fathers were either dangerous to have around their kids or former spouses, or likely to disappear from their children's lives all together if their support were being monitored.

In some communities, people argued that basic welfare grants should not be increased if the recipient has more children, while such notions were very controversial in other parts of the country. Some groups suggested that those who refused to participate in work or training should receive no welfare benefits. Others argued that everyone was entitled to basic needs and that children shouldn't be allowed to suffer from their parents' failure to provide support.

Still others felt that children should be removed; and others that children should not be removed except when they were being abused. In other words, all across the nation there was agreement on principles and disagreement about how best to achieve those goals. And that is the essence of our democracy. So, I have come here today to argue for what the administration calls local demonstrations. I do so not because we don't know how to solve the problem of dependency, but because we do know. We must restore the decisionmaking and consequence-determining responsibility to local communities.

We must return to a means of helping which taps the moral agency of individuals and calls upon their sense of responsibility, and which ties success and failure to interpersonal and community consequences. Roundtable participants asked for the restoration of moral authority to individuals, families, and communities. There is a groundswell all across the Nation to structure a new alliance. On their behalf, and for all of us, I ask you to let a thousand flowers bloom.

Senator MOYNIHAN. That is a very delicate statement. Remember what happened to people who took Mao at his word. [Laughter.]

Dr. Blakeney.

[The prepared written statement of Dr. Ronnie Blakeney follows:]

**STATEMENT OF DR. RONNIE BLAKENEY**

I am Dr. Ronnie Blakeney. I am clinical director of Berekley Academy, and have been working for welfare reform in varying capacities for 20 years. I was a community organizer and sponsor for Welfare Rights in New York, California and here in Washington. With my husband, Charles, I consulted with then Governor Reagan's administration on welfare reform in California, and most recently, we advised the National Association of Neighborhoods on a 22 city study of the experiences of welfare reciepients and former recipients. Today, I will summarize the findings which my husband and I describe in detail in the forthcoming volume: Dilimemas\_of\_Dependency:--A\_View\_From\_Across\_the\_Nation.

In neighborhood roundtable discussions with over two hundred people we learned that: welfare is both an economic problem and a moral problem. There was a time when welfare was the means by which the government took care of those who were unable to care for themselves. But from all across the nation we heard a groundswell, a mandate, a movement to not only réform, but reformulate the welfare system. Neighborhood roundtable participants told us that the time has come to abandon our parternalistic system and to form a new alliance, a partnership between those who need assistance and those who provide it. This partnership must reflect a commitment to respect the dreams of those in need and reignite the determination of the poor to become self-relient.

We found substantial agreement on basic principles.

We Americans believe as much in helping those in hard times

as we do in the possibility of achieving dreams through opportunity and determination.

We Americans believe in Justice. We believe that our rights must be balanced with responsibilities.

The question -- and to my mind the only question -- up for debate is: How do we create a strategy which ensures a fair balance between the partners, a balance between rights and responsibilities which is more than "a deal", in which we do more than punish those who fail to comply and reward those who cooperate? How do we create a partnership which ensures justice and compassion?

In our 22 city study former and current welfare recipients told us that for individuals and families to climb up from dependency, people must be allowed to use their own will and determination, and appropriate transitional resources and opportunities must be provided to help achieve self-reliance. In the study we asked the roundtable participants who should decide about the appropriate match between dreams, determination, and transitional resources. We asked how they, themselves, had succeeded in moving beyond welfare. There was substantial agreement on basic ideals.

That there is dignity in labor;

That family formation and maintenance is usually better than solitary struggle;

That people need transitional resources in their efforts to move beyond dependency;

That people want to control their own destinies to the

extent that doing so is compatible with family and community life.

All across America we heard stories of courage, pride and determination. Single mothers who organized day care co-operatives and craft co-operatives and an import-export business in Baltimore. We talked with former steel-workers who'd retrained as accountants and librarians; and with former farmworkers who became secretaries, administrators and factory workers; we talked with physically handicapped attorneys and with older Americans who created a food bank. We talked to people who could hold their heads high, and whose children could look up to them.

And when asked how they might reformulate the system consistent with their ideals, there were many different and often contradictory ideas of what would work and how to help. In some communities there was substantial agreement that absent fathers should be required to contribute child support or to perform community service. But elsewhere, there was agreement that too many non-supportive fathers were either dangerous to have around their kids or former spouses, or likely to disappear from their children's lives altogether, if their support were being monitored.

In some communities people argued that basic welfare grants should not be increased if the recipient has more children, while such notions were very controversial in other parts of the country. Some Groups suggested that those who refused to participate in work or training should receive no welfare

benefits; others argued that everyone was entitled to basic needs, and that children shouldn't be allowed to suffer from their parent's failure to provide support. Still others felt that children should be removed; and others that children should not be removed except when they are being abused.

In other words, all across the nation there was agreement on principles and disagreement about how best to achieve those goals. And that is the essence of our democracy. So I have come here today to argue for what the administration calls: local demonstrations. I do so not because we don't know how to solve the problem of dependency, but because we do know.

We must restore the decision-making and consequence-determining responsibility to local communities.

We must return to a means of helping which taps the moral agency of individuals and calls upon their sense of responsibility; and which ties success and failure to interpersonal and community consequences. Roundtable participants asked for the restoration of moral authority to individuals, families, and communities. There is a groundswell all across the nation to structure a new alliance. On their behalf, and for all of us, I ask you to let a thousand flowers bloom.

**STATEMENT OF DR. CHARLES BLAKENEY, BERKELEY ACADEMY  
FOR YOUTH DEVELOPMENT, BERKELEY, CA**

Dr. C. BLAKENEY. Thank you, Senator. I am Dr. Charles BlakeneY. It is a privilege to be a part of this historic bipartisan attempt at the reform of low income assistance programs. It represents a dramatic change in U.S. social policy, with a new moral foundation. I am going to address the question: How would former recipients change the system, based on their personal experiences? I bring to the question several layers of point of view. First, I am one of 13 brothers and sisters who grew up in a welfare-supported family. My twin sister raised her five kids on AFDC for 20 years. I was a social welfare major in college, a social welfare consultant throughout the Nation, and for the last 8 years I have directed a private, nonprofit child welfare agency which my wife and I founded in California.

Most recently, I had the opportunity to consult with the National Association of Neighborhoods on the 22 city study whose results my wife has summarized. Today, I will share the experiences of those who have seen poverty and public assistance and moved up from dependency.

Former recipients overwhelmingly felt that any genuine reform calls for a redefinition of fundamental roles, relationships, and responsibilities between various levels of Government, community institutions, and individual recipients. The major flaw in the current system, they told us, is the "en loco parentis" service delivery model wherein Government acts in the role of the parent, thus encouraging a child-like dependency in the recipient, and sapping the moral authority of families and communities.

Recipients asked us not to repeat the mistakes of the past. In Compton, California, Juanita told us that when her husband left her and she went on AFDC, she was better off financially than she was working, largely because of the subsidized housing. "But I hated being dependent—having someone else tell me where to live and what to do, controlling my life. I would rather work. It is hard to work full time and be a good parent, but at least I am on my own, I am independent, and I am taking care of my kids."

Given this perspective, the challenge of the new reform is the redefinition and restructuring of old systems. "We don't want to be treated as recipients," they told us. "We want to be full participants." Recipients want to be partners in decisionmaking, rulemaking, and rule-enforcement.

Our research at Harvard shows that when people help to decide what is fair, they understand and respect the rules more. Recipients proposed a restructuring which would eliminate the "we/they" adversarial relationship and would legitimize the process in their eyes. Participation as partners is likely to prevent the recreation of another ineffective and paternalistic bureaucracy. All across the country, former recipients told us that the system was adequate for helping people to get on public assistance, but rarely if ever did the system help them to get off aid and become self-sufficient. Rarely, indeed, did workers even ask applicants about their dreams and aspirations. The system is the given and the applicant is the receiver.



Participants said that people must become more responsible for the consequences of their choices. Around the nation, former recipients recommended that participants be involved in designing and monitoring new system including such broad aspects as the role of the absent father, work requirements, eligibility criteria, time limits, benefit levels, and consequences for failure to make progress toward agreed upon goals in education, training, and work.

In addition to restructuring roles and relationships, any genuine reform must build and enhance basic community institutions. The Government's approach to helping the poor must cease undermining existing institutions. From Appalachia to Miami, from Watts to South Bend, recipients asked us to allow the moral authority of parents and community leaders to flourish. And moral authority comes from exercising responsibility. Former recipients had almost complete agreement that community involvement also harnesses peer pressure and support for changing any habits, norms, and values which must be promoted.

How do we achieve this new partnership? In order to accomplish this partnership, new and different types of alliances are necessary. They argued for a variety of more meaningful, locally relevant, and more democratic modes of helping the poor without perpetuating the moral imbalance of dependency. Any approach to helping should promote and enhance individual and community self-help efforts.

Mabel, a young mother in New Orleans, summed up the point of view of the majority of neighborhood roundtable focus group participants: "Make people better themselves, become independent, raise self-esteem. If we run our own welfare system, it would teach all the people the value of self sufficiency and help our community to grow, too." Mabel's is only one story. I strongly encourage you to examine the testimony of hundreds of others in the study, "Dilemmas of Dependency: A Report from Around the Nation," which will be available soon. Thank you.

Senator MOYNIHAN. Thank you, Doctor. The "Dilemmas of Dependency" will be coming forward from the Office of Policy Development?

Dr. C. BLAKENEY. That is correct, Senator.

Senator MOYNIHAN. Good. For those who don't know, we are hearing testimony in part from the report to the President by the Domestic Policy Task Force, Low-Income Opportunity Group.

Dr. C. BLAKENEY. It is in a separate volume, Senator.

Senator MOYNIHAN. It is Volume II?

Dr. C. BLAKENEY. It is supplement 5.

Senator MOYNIHAN. Next, and last in the panel, and then we can get on to talking with one another, is Robert Woodson, who is President of the National Center for Neighborhood Enterprise. Mr. Woodson, we welcome you this morning.

[The prepared written statement of Dr. C. Blakeney follows:]

## PREPARED STATEMENT OF DR. CHARLES BLAKENEY

I am Dr. Charles Blakeney. It's a privilege to be a part of this historic bi-partisan attempt at the reform of low income assistance programs. It represents a dramatic change in U. S. Social policy, with a new moral foundation. I am going to address the question: How would former recipients change the system, based on their personal experiences? I bring to the question several layers of point of view. First, I am one of thirteen brothers and sisters who grew up in a welfare-supported family. My twin sister raised her five kids on AFDC for twenty years. I was a social welfare major in college, a social welfare consultant throughout the nation, and for the last eight years I've directed a private, non-profit child welfare agency which my wife and I founded in California. Most recently I had the opportunity to consult with the National Association of Neighborhoods on the 22 city study whose results my wife has summarized. Today I will share the experiences of those who have seen poverty and public assistance, and moved up from dependency.

Former recipients overwhelmingly felt that any genuine reform calls for a redefinition of fundamental roles, relationships and responsibilities between various levels of government, community institutions, and individual recipients. The major flaw in the current system they told us is the "en loco parentis" service delivery model wherein government acts in the role of the parent, thus encouraging a child-like dependency in the recipient, and sapping the moral authority of families and communities.

Recipients asked us not to repeat the mistakes of the past. In Compton, California, Juanita told us that when her husband left her and she went on AFDC she was better off financially than she was working, largely because of the subsidized housing, "But I hated being dependent---Having somebody else tell me where to live and what to do, controlling my life. I'd rather work. It's hard to work full time and be a good parent, but at least I'm on my own, I'm independent and I'm taking care of my kids."

Given this perspective, the challenge of the new reform is the redefinition and restructuring of old systems. "We don't want to be treated as recipients," they told us, "We want to be full participants." Recipients want to be partners in decision-making, rule-making and rule-enforcement. Our research at Harvard shows that when people help to decide what's fair, they understand and respect the rules more. Recipients proposed a restructuring which would eliminate the "we-they" adversarial relationship and would legitimize the process in their eyes. Participation as partners is likely to prevent the re-creation of another ineffective and paternalistic bureaucracy. All across the country former recipients told us that the system was adequate for helping people to get on public assistance but rarely if ever did the system help them to get off aid, and become self-sufficient. Rarely, indeed, did workers even ask applicants about their dreams and aspirations. The system is

7

the giver and the applicant is the receiver.

Participants said that people must become more responsible for the consequences of their choices. Around the nation former recipients recommended that participants be involved in designing and monitoring such broad aspects of new systems as the role of the absent father, work requirements, eligibility criteria, time limits, benefit levels, and consequences for failure to make progress toward agreed upon goals in education, training and work.

In addition to restructuring roles and relationships, any genuine reform must build and enhance basic community institutions: The Government's approach to helping the poor must cease undermining existing institutions. From Appalachia to Miami, from Watts to South Bend, recipients asked us to allow the moral authority of parents and community leaders to flourish. And moral authority comes from exercising responsibility. Former recipients had almost complete agreement that community involvement also harnesses peer pressure and support for changing any habits, norms and values which must be promoted.

How do we achieve this new partnership? In order to accomplish this partnership new and different types of alliances are necessary. They argued for a variety of more meaningful, locally relevant and more democratic modes of helping the poor without perpetuating the moral imbalance of dependency. Any

approach to helping should promote and enhance individual and community self-help efforts.

Mabel, a young mother in New Orleans, summed up the point of view of the majority of focus group participants:

"Make people better themselves, become independent, raise self esteem. If we ran our own welfare system it would teach all the people the value of self-sufficiency and help our community to grow, too."

Mabel's is only one story. I strongly encourage you to examine the testimony of hundreds of others in the study, Dilemmas of Dependency: A Report From Around the Nation, which will be available soon.

**STATEMENT OF ROBERT WOODSON, PRESIDENT, NATIONAL CENTER FOR NEIGHBORHOOD ENTERPRISE, WASHINGTON, DC**

Mr. Woodson. Thank you, Senator. I am here also representing the Council for a Black Economic Agenda, a cross section of black Americans including former welfare recipients, residents of public housing, business leaders, as well as economists and other scholars. Three years ago we first met with the President and members of his Cabinet to bring to them concrete and specific solutions to social and economic problems facing poor black Americans. These issues deeply concern me, having spent many years in the civil rights movement leading demonstrations about justice and social reform on the part of black Americans. I realized, however, back in the 1960s that many of those who struggled most benefited least which caused me to leave the civil rights movement and begin to work more directly with low-income people.

On October 29, 1965 a Washington Post article with banner headlines quoted civil rights leaders saying the civil rights gains did not benefit poor blacks, that their problems could not be solved by race-specific solutions, but by economic development. In order to address the needs of low-income black Americans, we must have policies and programs to promote economic and social well-being.

Despite this 20 years old knowledge, we continue to press race-specific solutions to address what are otherwise economic problems. A consequence is that one-third of the black community now is in danger of becoming a permanent underclass despite the billions of dollars spent on poverty programs intended to help.

When we had the opportunity to participate with the administration in shaping welfare reform, we were compelled to do so. As others have pointed out, council members and grass roots people participated in the focus group discussions. We were pleased that the administration followed our advice to conduct hearings around the country in low income communities. An inventory of more than 400 self-help groups indigenous to these communities was conducted. For the first time in my professional career, an effort was undertaken to solicit the views directly from those experiencing the problem.

As a result the administration's proposed welfare reform should be given a fair chance. Obviously, parachuting solutions into low-income communities from outsiders who do not suffer the direct consequence of welfare with the expectation that the poor would participate—the pattern over the last 20 years—does not work.

More must be done to glean knowledge from those experiencing the problem. Some very helpful information has emanated from the grassroots. In our work at NCNE, we work with residents of public housing nationwide. Five years ago here in Washington, DC, 76 percent of the 3,000 residents Kenilworth-Parkside, were on welfare. After the responsibility for managing that development was turned over to the residents welfare dependency was reduced to 30 percent through their own self-help efforts discipline, and the imposition of sanctions and incentives. Before resident management only two children of the 464 families ever went to college—only two. A group called College Here We Come, organized by the resi-

dents, changed that. To date more than 580 kids from Kennilworth/Parkside have gone on to college.

NCNE commissioned a study by Coopers and Lybrand to determine the cost savings of Kenilworth's self-help efforts, as a result of their collective efforts, not only did welfare dependency decline, and teen pregnancy reduce by 50 percent, but it was determined that this development would save the Government about \$4.5 million over 10 years and at the same time effect dramatic reforms, and improve the quality of life. We have studied experiences like this at Kenilworth and other cities, and found that one reason residents are successful is that they provided an environment that promoted small businesses. In Kenilworth, 150 people are employed in ten small businesses. In another housing development, 300 people are employed in small businesses.

Those involved in the self-help movement face tremendous barriers that can only be addressed through welfare reform. Increasing welfare payments would not have brought about the dramatic changes that I have just mentioned.

What would make a difference is the removal of specific barriers. For instance, if a person on welfare wants to make a few extra dollars and he is given a typewriter worth \$1,000, this asset makes him ineligible for welfare benefits. In Baltimore, Maryland, four welfare recipients organized a maintenance company. And as soon as they began to make a profit and began to employ other welfare recipients they reported their efforts to the welfare department. Their income was deducted from benefits dollar for dollar, but they were not allowed to write off any of their losses.

These kinds of barriers to self sufficiency are exactly the kind that could be waived by welfare reform.

England and France and The Netherlands and other European countries have been experimenting by allowing welfare recipients and people on unemployment compensation to collect the benefits in a lump sum to start small businesses for themselves. In addition, training in small business development is provided.

Since 1979, thousands of former welfare recipients and unemployed people have formed businesses with an 70 percent success rate. One recipient employs 53 other people. This experiment now has been extended to Australia, and other countries. This type of innovation should be investigated to determine how it can apply in the United States.

My point, Senator, is that there are a variety of innovative, creative solutions at the local level that cry out for acknowledgement and that we should do everything we can to determine how we can make use of what we call the islands of excellence.

And then finally, there is an area of reform that also must be addressed, and that is foster care and adoption. People don't normally think of that as welfare reform, but we think it is. We believe that there is a crisis when 167 healthy babies are being cared for in hospitals in New York City. Most are black children, yet we are told that the reason this crisis exists is because of the unwillingness of Black families to adopt. Yet, if you look at informal adoption, 1.4 million Black children are cared for annually in the informal system, by friends and relatives.

So, the question that cries out to be answered is: If black communities historically adopt their children in record numbers informally, why are the 300,000 children in the formal public system, (half are black) not being adopted?

We believe that barriers imposed by the social welfare bureaucracy discriminate against black families in a variety of ways. It is not because of the unwillingness of Blacks to adopt. Such barriers must be eliminated if we are to restructure welfare. 50 percent of the homeless youth on the streets of New York City have graduated from the foster care system; one-third of the children who remain in the foster care system for a long period of time end up in prisons; and the mortality rate of foster children is twice the national average. In other words, the foster care system is incubating tomorrow's criminals at public expense in the name of saving children.

This crisis must be addressed. The Council for a Black Economic Agenda and the National Center for Neighborhood Enterprise intend to address this issue aggressively over this next few weeks by asking the Attorney General of the United States, as well as the NAACP Legal Defense Fund, to investigate whether or not the collective impact of current social welfare policies have the effect of discriminating against black families who want to adopt children. We would earnestly ask the Senator to receive some of our data and investigate this as a part of your review of welfare reform. Thank you.

Senator MOYNIHAN. Thank you. Before we go to general questions, I thank you, Mr. Woodson. You are the first person in a very long list of witnesses who has raised this question of foster care, and I cannot agree more. In New York City, we take children and send them through this system, such as it may be called. And at age 18, we consider them a graduate and just turn them out into the city, on their own. You wouldn't dare do that with one of your own children.

Mr. WOODSON. No.

Senator MOYNIHAN. Dorian said this is correct—stats are from HRA? And about one-third after about 2 years are on welfare. And I don't want to be melodramatic, but at least when you leave prison, you get a suit of clothes and \$25.00. [Laughter.]

[The prepared written statement of Mr. Woodson follows:]



Robert L. Woodson

Senator Moynihan and other distinguished Members...

I am Robert L. Woodson, president of the National Center for Neighborhood Enterprise and chairman of the Council for a Black Economic Agenda. The views I express today are my own and do not necessarily reflect those of the board, funders, or staff of either organization.

I am extremely pleased to have the opportunity to address the Senate Subcommittee on Social Security and Family Policy on an issue that deeply concerns me--welfare reform.

Today's hearing is a major step in the process of overhauling a system that has trapped millions of Americans in dependency and hopelessness--a welfare system that not only subsidizes poverty but saps individual initiative.

During my career and active advocacy on behalf of low-income Americans, I have met and worked with local neighborhood leaders and groups who have launched successful community-based programs and strategies for solving the most difficult of social and economic problems. They have been able to do this, first, because they are grounded in the communities where the problems exist and, second, because they involve those experiencing the problems in developing strategies for solving those problems.

And they don't accomplish this challenging feat because they have large endowments or massive infusions of federal

dollars. Quite the contrary.

These self-help initiatives often operate on mere shoestring budgets . . . but they have become the lifeblood of inner city urban and rural neighborhoods all over America.

I am here today to acknowledge my strong support both for these islands of excellence and for the Administration's innovative welfare reform proposal--the result of input from grassroots groups, local leaders and hundreds of current and former welfare recipients.

It is the only effort I know of, public or private, where the input from those experiencing the problems was actually included in the final program design.

The year-old welfare study group, chaired by White House Domestic Policy Adviser and Special Assistant for Welfare Reform Charles D. Hobbs, convened public hearings in seven major cities and commissioned the National Association of Neighborhoods to conduct dozens of roundtable discussions on the welfare system in churches and neighborhood centers around the country. The group also directed my organization, the National Center for Neighborhood Enterprise and Macro Systems, Inc., a research consulting group specializing in a variety of social disciplines, to document the self-help efforts taking place nationally.

The result is a selective inventory of more than 400 programs and groups nationwide that are providing

ladders out of dependency for millions of poor Americans.

It is critical that we push for reforms to empower these self-sufficient community-based groups to play an even greater role in addressing the problems of low-income and minority families.

The Administration's new bottoms-up approach will provide an unprecedented opportunity for innovation and development-- the opposite of the current system of maintenance and dependency.

The current system has done little to encourage the formation of stable economically self-reliant families, for example. In fact, the increase in single parent families is perhaps largely attributable to a system that rewards out-of-wedlock births and punishes struggling low-income, two-parent households. Another major problem is the generations phenomenon surrounding the current system; that is, if you're on welfare today, then it is possible that your mother was and highly probable that one or more of your children will be.

According to a Roanoke, Virginia, woman who participated in one of the roundtable sessions last fall:

"If your're on welfare, your're trapped. There is no way to go up when the system is pulling you down. Your child sees you day in and day out. Your incentive is gone. What's that going to do to your kid's incentive. If she sees me sitting on my behind, she'll sit on her behind."

This very real fear--of generational welfare dependency--motivated this woman to find employment. But as we all know, this kind of fear doesn't motivate everyone. Often, in fact, such fear can be paralyzing.

What is needed is a reformed system that will enable people to regain control of their lives by providing positive incentives and inducements.

For example, the transference of a recipient's often critical medical benefits to a prospective new employer would be a major incentive to work as well as inducement to hire.

Conversely, toughened eligibility rules tied to a "recovery support plan" that would match up an individual's skills with job-training and placement services that could be strictly monitored by a locally-elected welfare board is yet another suggestion to come out of the roundtable discussions and hearings.

In short, the major thrust of reform according to those either formerly or currently receiving benefits should be the empowerment of communities to design and implement systems that will work for them.

We must dismantle the professional service bureaucracy with its powerful disincentives for maintaining people in poverty.

The Administration plan would certainly complement such a challenge. It is essentially a five-year demonstration in

which states may waive federal program rules to implement a variety of community based experiments to promote self-sufficiency.

Right here in the District of Columbia we have an outstanding example of what can be done by low-income citizens who are given control of their destinies.

In 1982, a Resident Management Corporation was formed at the Kenilworth-Parkside public housing development in Northeast Washington. In that year, 76 percent of its nearly 3,000 residents were welfare residents. Within two years, this figure had been cut by 50 percent, teenage pregnancies reduced by 50 percent and crime in the complex by 75 percent. And "a College Here We Come" program started by residents has sent over 500 youngsters on to higher education.

By exercising greater control and independence over many of the issues that affect them directly, the residents of Kenilworth have not only assisted people off welfare by placing them in jobs and businesses, they have also kept families together by returning husbands to households. Entrepreneurial activities, always encouraged, have resulted in a self-contained network of small businesses in and around the complex.

Under the Administration's proposal, the Kenilworth-Parkside Resident Management Corporation would be given demonstration authority to administer a program called the

"Washington Family Plan," which would convert a variety of assistance categories into a fund for small business loans, job training, day care, and other supportive services. Similar demonstration authority would be granted to all 50 states.

The implementation of long-term demonstration projects--with annual assessment periods--should generate the innovation and new approaches so desperately needed by millions of low-income Americans.

Thank-you.

Senator MOYNIHAN. Now, thank you all very much. Senator Daschle will be back with us in just a moment. I want to thank you for being very precise and very explicit in your testimony and very positive. I mean, this is as welcome a set of views as we have had. It comes not just from the authority and the competence of the people involved, but you are speaking on behalf of the President of the United States, which adds a little something to the attention getting quality of any testimony.

Senator Daschle, you made your way here, like a good man from the high plains, last Monday, when the only people who were in the building were those who got stuck the night before. [Laughter.]

Would you like to make an opening statement, sir?

Senator DASCHLE. Thank you, Mr. Chairman. You have a lot of witnesses this morning. I am very interested in hearing them, and I might have some questions following their testimony, but I appreciate the opportunity.

Senator MOYNIHAN. Thank you. Why don't you just join with me? We have been hearing Secretary Helms and Secretary Bode who have been speaking along with the Doctors Blakeney and Mr. Woodson, on the report to the President from the Low-Income Opportunity Working Group of the Domestic Policy Council. We hear some things that are common to so much of the testimony. First the problem is dependency; we want to address that question, which is a different one from poverty in some ways and obviously one least amenable to simple solutions of a kind that you can devise for health care and the like.

We hear the idea of contracts, something very essential that the Governors proposed. The idea is to attempt to create actual contracts between the persons receiving public assistance and those who are providing it. "For example, a recipient will say to the state, I will finish high school, and you will see that I have the wherewithal to do it." We hear the idea of experiments. We hear that very strongly from the Blakeney's: let 1,000 flowers bloom, says Dr. Blakeney. We have heard from the different States and communities about all manner of intended innovations and the efforts to keep track of the results.

You should know there is some measure of caution about how well the evaluation techniques followed the course of innovations—the sort of process of pulling up the carrots to see if they are growing or if they had a little difficulty. [Laughter.]

But still, in California, as Senator Daschle, you will remember that we were hearing on Monday last, they are not only moving toward a written contract, but there is a 3-day cooling off period after the contract is signed; so, you go home and say: Did I really say I was going to finish college by next June? You know, something like that. And then, in the event of disputes about whether each is keeping up his side, there are going to be arbitrators who are quite independent to mediate them.

It is rather striking that the one Governor who did not vote in agreement with the Governors Conference was the Governor of Wisconsin, perhaps with the view that they are already so far ahead of the rest of the country that there is nothing for them to learn, which is something that has not been unknown in Wisconsin. That seems to be the fact.

I guess I want to ask two things of our panel and the administration witnesses specifically might want to speak most directly to them. You list \$132 million—

Mr. BODE. Billion.

Senator MOYNIHAN. Billion, billion, billion—these things get easily interchangeable, I am afraid—

[Laughter.]

In terms, you say, of your low-income assistance programs, which are then referred to as 59 major Federal public assistance programs. The first thing to note of the \$132 billion is AFDC, what we call Title IV of the Social Security Act, which comes to \$14.7 billion—in round terms, 11 or 12 percent. It is a very small program, food stamps being almost equal in that respect.

I do want to acknowledge a proliferation, if not indeed a profusion. For example, you list the Low-Income Home Energy Assistance Program. Well, I remember when that was established in 1977 in the course of the repeal of the Windfall Profit Tax and so forth. And it was quite literally a phenomenon we see in the executive branch all the time. Dr. Nathan will be testifying later, and at one point in the administration in which he and I served, there was an effort to establish a guaranteed income. It was doing very well in the Department of Health, Education, and Welfare; but along came the Department of Housing and Urban Development with a guaranteed housing proposal. Everybody was guaranteeing that year.

And in this case, the Energy Committee wanted to have a poverty program. The Agriculture Committee got one in food stamps and so forth, and now they wanted one; and these things tend to migrate and they look a little unwieldy when you get to them.

On some of these things, as you know, there will be open disagreement. Do you define the Pell grants as public assistance for low income persons or do you define them as scholarships? You know, you can have it either way. Is Head Start a low-income program or is it just another kindergarten? The same thing with vocational education; if you take the vocational educational grants to States, they go back to World War I when they would teach people to be machinists.

So, we can argue about that if we want to. I don't want to. That is not what we are here for. I want to hear about what you mean by waiver authority. What are you asking us to give you? In these programs, a portion goes to most of the States. It will vary a bit, but most of these programs are spread pretty evenly across the States. Would you like us to give authority for a State to say: Now, I am going to cash in our food stamp program, or cash in the section 8 housing assistance? Dr. Helms? Mr. Bode? Tell us what you want us to do.

Mr. BODE. In essence, all of the above, Senator.

Senator MOYNIHAN. Oh, really?

Mr. BODE. We feel the State should have the flexibility in addressing the various programs that have at least one goal of alleviating poverty. We certainly don't expect States to come forward and include all of the various programs. We would be surprised if that occurred.

I suspect that many programs, or at least a number of programs, that have as one of their goals the alleviation of poverty would not



be touched by any demonstration effort. However, we think it is important to put on the table the authority for States to come forward with their ideas and their proposals for how we might make better sense out of this total approach of combating poverty and allow them to modify the existing rules for the various programs and redirect the Federal funding they otherwise would have received through those programs to do a better job of more efficiently and effectively fighting poverty.

Dr. HELMS. Let me add, Mr. Chairman?

Senator MOYNIHAN. Wow. Yes, sir?

Dr. HELMS. Let me add also that we particularly put into the language of the bill that the purpose of these programs would be that they would be judged on their several principles including their ability to help the people who were helped by these other programs which they are going to include.

In other words, specifically that the program that the State would propose is for the purpose of helping low income populations.

Senator MOYNIHAN. I see you have included Medicaid, and you have not been shy about it. [Laughter.]

And the social services block grant, Head Start, community services, legal aid, JTPA, and the Job Corps, and Pell grants, and Upward Bound, and VISTA and Indian Social Services, the Cuban and Haitian resettlement, and—this is new to me—what is Follow Through?

Dr. R. Blakeney. That comes after Head Start.

Senator MOYNIHAN. Aid to deficient golfers—  
[Laughter.]

Oh, it follows Head Start?

Dr. R. Blakeney. Yes, it comes after Head Start.

Mr. BODE. Mr. Chairman, the point we would like to emphasize is this is an invitation to the States, for them to examine the various efforts that are underway to alleviate poverty and to bring forward their ideas for how we might restructure those efforts to do a better job of going about the goals that I think everyone shares.

Senator MOYNIHAN. You couldn't be more explicit. Mr. Woodson?

Mr. WOODSON. Yes. One of the concerns that most of us have is that when we exercise control over our own lives, we make selections every payday. Are going to pay a little more for child care or a little more for food? We make tradeoffs every week. Poor people do not have the same luxury. Their aid is given in a variety of ways, food stamps, medicare, etc. have little control over their expenditures and even less choice.

Some of these benefits should be "cashed out" so poor people can exercise some of the same options that middle class people do in making determinations, some can be used for job training or for day care and so forth.

Senator MOYNIHAN. I hear in all of this a very strong echo of the community action programs which were begun under the Office of Economic Opportunity in the 1964 legislation.

Senator Durenberger, we are just finishing up a very impressive set of presentations on behalf of the Administration. Our guests spoke about the President's legislation which was introduced last week and the administration report, "Up from Dependency." The most specific proposition to us has been that the administration is

proposing that there be waiver authority given the States for some 59 major Federal assistance programs that come in fiscal year 1985 to some \$132 billion. Senator Daschle hasn't spoken yet, but would you like to open?

Senator DURENBERGER. Thank you, Mr. Chairman; I will defer to Senator Daschle.

Senator DASCHLE. Mr. Chairman, if you are entertaining other questions, I have a couple I would ask of Mr. Bode and Dr. Helms. In light of what Mr. Woodson just said with regard to the lack of flexibility on the part of many of the recipients, how does that relate to what Dr. Helms and Mr. Bode said in their statement on page 4 that there is no clear evidence on how welfare benefits should be structured to produce greater work effort?

Dr. HELMS. Let me say that there is a lot of research—and you are going to hear from Dick Nathan and other people on the panel today—on this issue of how to induce work effort. But let me say that there is a good bit of controversy, I think it is fair to say, in the academic community about what works on this. As somebody has said, one thing we seem to know is that work works; but there is a notion here that there are lots of good ideas. The contracting concept is one that several Governors have put forward. Other people have other ideas and so on.

What we are saying is let's put all of these to a fair test. We have tried to put a strong evaluation component into our bill. Let's let people come forward with their own proposals, and let's test them and see if some of these ideas that people are really putting forward really do work.

Senator DASCHLE. Do you think that ultimately you can come up with some generic solution?

Dr. HELMS. That is the hope. In an extended period of letting a lot of new ideas and concepts be tested, that we will then have better evidence on which to propose a national solution; but we are really not at that point at this time.

Senator DASCHLE. You mentioned this relationship between benefits and work effort. You say that altering the benefit reduction rates when earnings increase may promote work effort for some welfare recipients, but may provide incentives for others to reduce their work effort to get more welfare and leisure time. Is that a commonly held view within your agency, that there are those who really would prefer more welfare and leisure time, and you want to provide a mechanism whereby that motivation can be eliminated?

Dr. HELMS. I think the evidence is that, when you go out and ask people if they really want to work, the vast majority of people on AFDC, for example, say that they would much prefer to work. I think only about 13 percent ever give a reason why there is not a job available and why they are not working. So, there is a strong desire to work, I think.

A lot of people feel trapped in the system, that the rules prevent them from doing that.

Senator DASCHLE. Mr. Woodson.

Mr. WOODSON. Looking at our demonstrations, we find right now that current policies fail to make any distinctions between those who are poor because they are responsible and those who are poor because they lack opportunity. Consequently if you are delinquent,

there is a program for you; if you are pregnant, there is a program; if you are an alcoholic or a drug addict, there is a program. There is an old adage: You get more of what you reward and less of what you punish. We don't reward people among low income groups who are responsible and want to help themselves. If you look at our public housing demonstrations, where the folks across the country have taken a very desperate situation—crime rates, a hostile environment, where police wouldn't even patrol after 5 o'clock—and how they have been able to convert that into one of the safest places in these cities, through a system of community imposed sanctions and incentives. If someone is living in an a two-room apartment and they become pregnant, for example, they do not automatically get a three-bedroom apartment. Also, there are high expectations—people are fined if they break windows, or don't maintain their property.

These are sanctions that are imposed by poor people on their peers resulting in a dramatic change in behavior. Too often we tend to act as if poor people are incapable of setting standards for themselves. Policy must provide the means for the people who are responsible to succeed and for those who are not responsible to be sanctioned.

Senator DASCHLE. And so, the waivers?

Mr. WOODSON. The waiver would help, in a case that I mentioned earlier. If a person wants to get off welfare by typing, and a typewriter worth \$1,000, it makes them ineligible for welfare—we could waive that provision. If welfare recipients want to go into a small business where their profits are taxed but they are unable to write off their losses, that needs to be waived so that more people can be encouraged to be entrepreneurial.

Senator DASCHLE. You say, in addressing the concept of waivers, that care will be taken that rights of low income people are protected and that needs of low income people are met; but there is nothing substantive that elaborates as to what kind of care actually will be taken. Can you give us some assurances? Is there some kind of a substantive, meaty, tangible guarantee that you have the mechanism worked out where these local communities will be receptive to your policing and your oversight in this regard?

Mr. BODE. Senator, the Board, of course, is responsive to Congress, and we recognize there will be Congressional oversight. The most important step in this process is the filing which the State will make, seeking waiver authority from the Board. It is the responsibility of the State in that filing to explain how those needs will be appropriately addressed. We feel it is important that the State filing explain its protections.

Senator DASCHLE. Let me just follow up with one last question, Mr. Chairman, and that is: On page 4, you say that the traditional responsibility of the local community to aid those of its members who are in need of assistance has become undermined by the tendency to impose solutions constructed in Washington. Would you also concede that the reverse is true, that the nation's attempt to more adequately care for the needy is undermined by the lack of willingness on the part of local entities to respond?

Dr. HELMS. Oh, I don't see it that way.

Senator DASCHLE. You don't? Let me just clarify my question perhaps. You don't see a local institution, a local entity of government, and its lack of willingness to comply with some kind of Federal mandate, responding to a national concern, as impeding our interest in pursuing the goals that you have outlined in your testimony this morning?

Dr. HELMS. Let me distinguish between, I think, the will to do that at the local level as opposed to the ability to do it under the existing rules. One of the common complaints I think we found talking to the Governors, to State officials, to welfare workers, to welfare recipients, and to people who have gotten off of this, is there is a strong desire to do something about this out there, to come up with some new ideas about how to combine these programs and administer them in a more effective way.

But I think a lot of people are genuinely frustrated, particularly a lot of the Governors, by the system and their inability to get changes in the rules that would allow them to carry out some of these concepts.

Senator DASCHLE. Dr. Helms, I would have to say this—and I am way over my time here—but there is frustration on both sides. There is certainly frustration at the local level, and I understand that. You can't take a national program and pound it across the country and make it fit as well in Aberdeen, South Dakota and Trenton, or some place like that. But equally as important is a realization on the part of your agency and this Congress that there is a frustration from the other level, that regardless of what it is we try—and you have just said that it doesn't really make any difference; none of them seem to have a tangible, substantive realization of how it can work across the country—out as hard as we try, it won't work because we don't have the local willingness, the ability on the part of the Congress and you to make sure that it works as well in that town as we had envisioned that it would work on top.

And by your advocating a waiver, it just seems to me you even frustrate that whole effort even more. I am very concerned about that, and I have got an open mind on it, Mr. Chairman, and I am hopeful we can come to some resolution.

Dr. HELMS. I appreciate your view, but let me say that the chairman has documented numerous books. There has been a frustration, I think, on the part of the policymakers here in Washington about what really will work. And what we are saying is that we think we have found a new desire out there to get something done, and we are trying to think up a system that would allow this experimentation to go on.

Senator DASCHLE. Hope springs eternal, and I am with you.

Senator MOYNIHAN. Thank you very much.

Dr. R. BLAKENEY. Mr. Moynihan, may I respond?

Senator MOYNIHAN. Of course, Dr. Blakeney.

Dr. R. BLAKENEY. It seems to me that exactly your frustration that what "we designed in Washington" doesn't work when we get in to local communities, and what goes on in local communities doesn't translate; that is exactly the reason we have designed the proposal in the way that we have.

So, it doesn't come from here, and as Bob said, get parachuted in, but rather is created by a partnership to begin with. So, the part-

nership which creates the plan in any given local community will be responsible for its administration, will be involved from the beginning in its creation. Now, it is almost like a dual system, of "welfare services going on." In San Francisco, Cecil Williams through Glide Memorial Church feeds 4,000 people a day, has taken over the closed-down, rundown welfare hotels and has low-income people renovating them for housing; but it has nothing to do with Federal programs, although some of it does use Federal dollars. So, on the one hand, we have a Federal welfare system coming down and providing individual benefits for people; and on the other hand, we have the stuff percolating in local communities. What we are trying to do with this legislation is to make a bridge, to make a partnership, to make a place where people can hold hands and do it together; use what we have here and what is coming from below, if you will.

Mr. BODE. Senator, if I may make one additional point?

Senator MOYNIHAN. Please.

Mr. BODE. Not only do we feel the Federal system discourages local innovation and work because of inflexibility of rules—that has been discussed already—we also ought to realize it creates a number of unanticipated incentives. I think it is well known that in cash programs—AFDC and general assistance—many States feel a significant disincentive from raising cash assistance levels because they realize that the interaction with the Food Stamp Program would cause the State to spend a good deal more in its revenues than would translate into increased benefits for recipients of those benefits in that State.

Senator MOYNIHAN. That is a well established fact, and you are quite correct. If I can, can we ask Senator Durenberger if he has questions?

Senator DURENBERGER. Yes. I will be brief. I am already five minutes late for another program with my colleague. I hope to return because I understand Professor Nathan is next. Some of these same issues arose back in 1982 when many of us were discussing "new federalism".

The difference between 1987 and 1982 is the level of cost, which is higher today. The national debt had just gone over 1 trillion in 1982 and today it is 2.3 trillion. In 1982 the deficit was considered to be a good thing economically. We had a Secretary of the Treasury then who said it was better to borrow than it is to tax, and today he is looking for work. [Laughter.]

It seems to me the problem we have—and this is a very talented panel and the recommendations are quite good—is to articulate a national responsibility to people in this country. It is pleasing to see these conferences, like the Governors conference last week, debating welfare and work.

Those of us who were together in 1982 debating New Federalism came up with a tentative definition of income security, which started with jobs. To work, we added savings, which is, 5 years later, down to 1 percent from three percent in 1982; we added investments. Last year, we got rid of a lot of accelerated depreciation and the capital gains tax treatment and a whole lot of other things. Then we added private insurance and a social insurance system, which in this country is fairly generous, when you include cash

and other benefits. Finally we added income maintenance for those that fall through the net of employment, savings, investment and insurance.

But it is clear that we have not articulated for State and local governments or for the private sector that this is a national responsibility. That's the source of frustration here. We need to deal with who ought to do what and how to do it better. Mr. Bode, you are absolutely right about what hung us up in 1982 when we were going to do this swap. Despite the fact that you have a deficit this large, that the country is cutting spending and cutting taxes, and that State governments are trying to cut taxes and spending, you would go down to the local government level, where the housing is expensive and those who don't have it are in the streets; where health care is so expensive that 37 million people can't afford it; and they must go into city and county hospitals.

It frustrates me that this proposal has not found a clearer way to put the national government on the hook, so that it can't get off. When you talk about making cash available to the States so that they will be able to make their own decisions, it is the same new federalism that we have been discussing for seven years now. Where is the hook to make sure that the national responsibility is quite clear in these recommendations?

Mr. BODE. Senator, I feel there is quite a difference between this proposal and a proposal for broad block grants, as I think you are alluding to. The primary differences are this is a demonstration authority. It is a research effort. What we are trying to do is identify innovative ideas at the local and State levels and give them a test. Let's see how we can do better. The Governors are quite clear that they feel they could do better if they had flexibility with their funds. That is one principal difference.

Another point that I would make is that in the legislation it is the prerogative of the Governor, if he chooses, to terminate a demonstration project. If he feels it is not working to the benefit of his State, if it is not an effective effort, to drop it and go back to the system that we now have. So, that flexibility provides, I think, a strong assurance to the Governors that this is a very genuine effort, to find ways to do better.

Senator DURENBERGER. Thank you.

Senator MOYNIHAN. Thank you. That was a very impressive panel, a very impressive proposal. We thank you all. We would like to keep you all morning, but we do have some others we want to hear from, too, and hear what they think about what the administration has just proposed. And we shall be working very carefully with you. I want you to express our appreciation to all your principals. I know that Dr. Bowen has to be in San Francisco today. I might say that we will have hearings on this subject in the full committee as the time for the legislation approaches. So, Dr. Bowen, for example, and others will be welcome at that time.

We thank you all.

It is a very special pleasure for us now to welcome an old and dear friend, Prof. Richard Nathan, who is the Dean of the Woodrow Wilson School at Princeton University and the dean of social policy administrators and innovators over the years. Dr. Nathan, we welcome you and we look forward to your testimony.

**PROF. RICHARD NATHAN, WOODROW WILSON SCHOOL,  
PRINCETON UNIVERSITY, PRINCETON, NJ**

Dr. NATHAN. Thank you, Senator. You have not only given me a warm welcome, but you have promoted me.

Senator MOYNIHAN. On the contrary, I think anybody would rather be a professor than a dean. [Laughter.]

Dr. NATHAN. I didn't get the subtlety of it.

I also want to report to you that now at the university we provide a suit of clothes and \$50, but there is no work disincentive effect; we are satisfied that we don't have that problem. [Laughter.]

I appreciate the chance to be here, and I want to summarize my testimony and then put it, if I can, with two enclosures into the record. So, I will just mention some of the highlights and try to do that in the time indicated.

The first part of my testimony, Mr. Chairman, discusses the dramatically increased poverty concentration and underclass conditions of America's cities, as revealed in recently published city poverty data released in 1985 from the 1980 Census. For too long, in my opinion, we have left two factors out of our analysis of urban conditions.

Those two factors are geography and behavior. The underclass problem in America's cities is a problem of space. The data we studied reveal a condition of dramatically increased isolation on the part of multiproblem populations, unskilled, uneducated, unmotivated people in broken or never formed families often from predominantly racial and Hispanic minority groups in the concentrated poverty areas of our inner cities. We knew that this was true, but the Census data reveal that it is even more dramatic than I and I think other people working in this field had expected.

In my view, Mr. Chairman, one cannot even begin to consider welfare reform in 1987 without considering these conditions. The connection is that we need to think hard about ways to enable people to break out of their underclass condition. These data are the bad news. I also have some good news.

Important changes that move in the right direction are under way now on the part of State governments. Over two-thirds of the States are developing new programs of mutual obligation, which you have mentioned, to provide education, training, remediation, intensive job search, and work experience opportunities to welfare family heads.

Let me say that there have been frequent comments lately that I think are wrong to the effect that these new style workfare or work/welfare demonstrations don't have that large an effect, that the effects are relatively small. My view of the research—and I have been very active with the Manpower Demonstration Research Corporation, MDRC—

Senator MOYNIHAN. And Dr. Blum.

Professor NATHAN. Right. Of course. My view of the MDRC findings is that they are promising. What is more, there is good reason to believe that if we develop and extend these new State-focused work/welfare systems, and if we give clearer signals and provide better programs, we will over time have bigger impacts in terms of higher earnings, reduced dependency, and changed conditions in

inner city poverty impaction areas. The report, which I am happy to have worked on along with Michael Novak and the group soon to testify, stresses exactly these kinds of value considerations, which are coming to the fore in, I think, a very good way in this period. And you have certainly been a leader in that connection.

Mr. Chairman, I feel older and probably not wiser, but I am going to devote the rest of my testimony to looking back 18 years to experience that we both shared and to see what we can learn from the Family Assistance Plan, the so-called FAP Plan, and other earlier efforts at welfare reform and to comment briefly today on how these earlier efforts might be looked at in terms of the opportunity, the policy window, that may be opened this year.

The Family Assistance Plan is remembered as Nixon's negative income tax plan for the poor, where the emphasis was on introducing this popular concept of a negative income tax into the welfare system in order to replace the AFDC program with the FAP Plan. I was part of that effort, but in retrospect, I believe that FAP was and still is the wrong approach to welfare reform.

New style workfare, the State programs that we have been discussing, is much more likely to be the real welfare reform. What I worry about is that the interest in welfare reform in 1987 will fall into what my testimony refers to as "the FAP trap," and you have written about the problems of FAP, Mr. Chairman.

The issue is not one of "either/or" and it is not a simple issue; but what I see developing is the subtle reinvention of an analysis that focuses on very shaky national income statistics to call for massive new transfer payments to the working poor.

And I would point out that the Wisconsin child support plan has not gone into the field yet. I refer to the so called "assured benefit" child support plan. It is not going into the field until the middle of this year. It will be in the field to be tested in four counties between the middle of this year and 1993. We will not have results as to whether the assured State-paid benefit scheme—which I see as a sort of subtle form of back-door negative income tax—we will not have results from that experiment probably for 7 or 8 years.

That takes me back to the New Jersey days—the New Jersey experiment days. We mustn't rush into these abstract concepts in a way that will deter us from getting real and good changes in this period. I do not deny that we need to be worried about the people who are at the top edge of welfare eligibility or are hard-working people not getting welfare assistance. But we should not put all of our eggs in this basket. Some of the ideas I have heard recently to aid the working poor involve new income transfer payments which are described in programmatic but not budgetary terms. What do they cost?

I believe that in 1987 we need particularly to focus on institutional and value changes where the States are setting up new programs to save some of the people in the underclass. And I am happy to say that what I see developing is a consensus in the legislation that has been proposed—the work opportunities and retraining contract which the chairman of this subcommittee has proposed and in S. 610, the GROW portion—there are acronyms everywhere in this field—of the administration's proposal.



Let me conclude with this key point about the lessons from past experience. If this Congress has money to spend on welfare reform in 1987, I urge that you put at least half of it into these kinds of institutional, new style, State focused workfare policy changes. I urge that you not be sold a "pig in the poke" that gets you back into the FAP trap of big spending, income transfer payments, based on easy abstractions and weak data, that are likely to end up costing you more than you could ever spend this year on welfare reform. The rest of my testimony discusses some incremental changes, a subject that I talk about probably too much.

I am reminded of Everett Dirksen's comment: "A billion here, a billion there; pretty soon you are talking about real money". It does seem to me that you could go to a modest 65 percent AFDC and food stamp national minimum in this period for that amount of money—exactly \$1 billion. And the Governor's program focused on new style workfare incentives, to change institutions with the States experimenting and continuing to do the exciting new things they are doing now. The Governors have proposed a new style WIN Program of approximately that same amount—a billion dollars. I don't know what the policy window really is in 1987, but I do urge that we look hard at what we know and what we have learned, and I am honored and pleased to be here and to try to be of some assistance to this committee in thinking about these very important issues.

Senator MOYNIHAN. Thank you, Dr. Nathan. Senator Dole particularly wanted to be here when you testified. Why don't we ask him to open? He might want to make some general remarks. Senator Dole, you had been asked earlier to introduce the Administration's proposal.

Senator DOLE. Yes. I apologize for being late. We had a engagement this morning where someone from my hometown was the master of ceremonies. There are not that many people in my hometown; so when they show up, I want to be there.

I want to thank first of all Senator Moynihan for including Dick Nathan. He probably would have in any event, but I did make the request because I have known Dick for a long time. He has been very helpful in the past, and he is helping me now as we try to sort out where we should go in this area. And I think he has pretty well nailed it down.

I think there may well be a policy window. I am not certain how wide open it is, but we do have the constraints of the budget, and it is still my hope—although I haven't been as diligent as Senator Moynihan—but he is an expert in the field—but sooner or later, we are going to try to sit down together, Republicans and Democrats and experts like yourself, and put together something we might be able to pass and have signed by the President. That is the ultimate wish.

I think we even meet tomorrow morning privately to go over some of the areas that have been covered in the testimony. There has been an excellent record made by the chairman. I am very glad you are here and I am happy to have heard your statement. I don't have any questions.

Senator MOYNIHAN. Thank you. Senator Daschle.

Senator DASCHLE. Thank you, Mr. Chairman. Dr. Nathan, I would be interested if you could just elaborate a little bit more as to your perception of the Low Income Opportunity Improvement Act of 1987, the bill introduced by the Administration, and how, as we consider this bill, you would caution us with regard to the FAP trap?

Dr. NATHAN. I listened to your earlier questions, Senator, and I thought they were thoughtful questions. I attached to my testimony an article I wrote in the New York Times on this subject. I have some doubts about one part of S. 610, which is the waiver authority. As I understand the bill—and I hope I understand it right—it includes both the experimental waiver authority and the GROW Program, which is similar to Senator Moynihan's WORC Program.

I was a little bit assured by the Administration—and I was reassured by Senator Moynihan's question—that Medicaid is not apparently part of what they are asking to be included in the waiver program; and that I think would be a good idea. And the Administration said that they see this as a sort of testing approach. I frankly have doubts about that portion of S. 610; but I guess I would say if it was very carefully drawn and if Medicaid is not part of it, and if that was part of what was needed to be included in a bill, as Senator Dole said, that the President would sign, that I would myself personally think there ought to be a way to work that out.

Senator MOYNIHAN. If I could just interrupt to say that Medicaid was in their proposal.

Dr. NATHAN. Well, you should take it out. [Laughter.]

Senator DASCHLE. With that minor caveat, as to whether Medicaid was in or out, addressing the bill as you see it, are you leaving the record open for further critique with regard to the bill? Are you satisfied that if we adequately dealt with the waiver concept, you would be satisfied that the bill—other than waiver and Medicare—is a sufficient process by which to improve this?

Dr. NATHAN. My own idea of what the policy window might enable you to do in 1987 is three things really. Some attention to questions about the waiver idea that reflect what we have been discussing here and dealing with in a way that makes everyone comfortable. Second, some merger of the GROW and WORC legislation, which fits in very nicely with what the Governors have proposed and puts a lot of emphasis on the new style—very promising, I think—work/welfare programs that so many States are now pushing to do in the right direction. And third—and I am not so sure about this—this is still an element that in my own view I feel would be desirable, at least to discuss—is to start to move, which we could have done many other times in the past, but never did, toward a national minimum, a low national minimum, at 65 percent of the poverty line. That would only affect about 20 States. It would cost about \$700 million, and those are 20 States with lower benefits.

And that amount would be AFDC plus food stamps; that is, the minimum would be food stamps included at 65 percent of the poverty line, which is a proposal that has been made by a number of the groups that have made proposals in this current period. Senator Dole has been a leader and an important person in working on

how the Food Stamp Program fits into this, and there are some questions to be dealt with in that area.

But I would say that those three elements, if a consensus could be worked out among key people on the Finance Committee and in the House and in the administration would move us along a good way forward and personally I would like to see that kind of a focus.

Senator DASCHLE. You are satisfied that those proposals would exceed your major recommendations in your testimony that at least half of whatever resources we have to put into institutional or workfare changes?

Dr. NATHAN. Yes, that is how I would see it. I made the remark about Everett Dirksen—

Senator DASCHLE. I wonder whether that is possible?

Dr. NATHAN. I have read all these reports, and I have worked maybe even too long in this field, and I think the number can be worked out currently. But the one thing that is a little shaky—and I wish to be honest with you—is that the Governors' ambitions for how much they can achieve with their work/welfare programs in the States are very ambitious. A billion dollars—which is about three times what the WIN Program was at its peak level—is a considerable increase but is not enough money to achieve what they are talking about achieving. So, you need to think about that.

But that is their price tag; they, I understand, debated whether that was the right price tag. Some people wanted the Governors to come in with a higher number, but they didn't. So, you need to think hard about what that number can really do. But it does seem to me that something involving three pieces along those kinds of lines would pull a lot of things together and be a big step forward.

Senator DASCHLE. I appreciate your insight. You are far more expert in this than I am, and I find that your testimony was very helpful. I appreciate the time, Mr. Chairman. Thank you.

Dr. NATHAN. Thank you.

Senator MOYNIHAN. Thank you, sir. Could I just say that the administration's GROW Program, which is the work training program, is not in S. 610. And I am not clear that it has been sent to the Congress yet. Does anybody in the audience know? Yes, young lady?

Voice. Sir, it is in the President's competitiveness bill.

Senator MOYNIHAN. It is in the competitiveness bill.

Dr. NATHAN. I should have said that; I knew that.

Senator MOYNIHAN. Thank you.

Dr. NATHAN. So, you do have the pieces?

Senator MOYNIHAN. Could I have your name for the record?

Ms. AVADARO. My name is Sonya Avadaro.

Senator MOYNIHAN. How do you do? And thank you.

Dr. NATHAN. I should have remembered that, Senator. So, the pieces are before you, but in different arenas than I had thought.

Senator MOYNIHAN. Yes.

Dr. NATHAN. And the GROW legislation is in important respects different from your WORC proposal on the matching rate and what is covered by the matching rate. You cover 70 percent of training costs.

Senator MOYNIHAN. I am going to press you a little bit. You are talking about numbers there, aren't you? I mean, how different is

50 percent against 60 percent against 70 percent? I mean, if you undertake to do this sort of thing, the actual ratios aren't that important; I mean, they are negotiable, are they not?

Dr. NATHAN. Well, negotiable for sure, but it is very important, I think, to many States, particularly the States that are strained now fiscally. The WIN Program, if I have got it right, was 90 percent match.

Senator MOYNIHAN. Right.

Dr. NATHAN. And I guess everybody is ready to move away from that; but to go to 50 percent match, I think—your proposal at 70 percent—you have 70 percent for training and 50 percent for other things—I think that is a good position myself. And that is very close to what the Governors have proposed, and the Governors have—from what I read in the newspapers—made a good impression in their meeting in the White House. So, I would urge you to hang tough, Senator.

Senator MOYNIHAN. All right. Now, did you hear that, Senator Dole?

Could I just make a point and ask you if you would agree that we have learned something about this work/training, and what we have learned is that you can do it. Isn't that the large event of the last decade or so?

Dr. NATHAN. That gives me a chance to say that I think that the studies of the Manpower Demonstration Research Corporation, which are well structured studies, as close as you can get to a good scientific method with a random control group—those studies have been done since 1981 when the OBRA legislation was enacted, in eight States with 35,000 people assigned to treatment and control groups. And in the eight States in those studies, we have learned that indeed 13 States have made appreciable gains.

And incidentally, the California GAIN program is a model program here. The States have been able to extend this mutual obligation, as you referred to it, concept to large numbers of people; and the impact of those programs, which require people to participate in training and in work and sometimes in work experience, has been positive, consistent, scientifically significant, although not huge.

My feeling is that the results are encouraging and that, this time around, we have learned from results, unlike last time—as your book documents so well—where we went off and adopted the FAP concept before the New Jersey experiment had even gotten into the field. And later on, we learned—9 years later, you learned—in this hearing room, that there were an awful lot of problems that research could have taught us. And in the case of these State programs, we have learned; we do have research; we do have a good knowledge base.

And that is why I am a little worried about this child support scheme. It may be a good idea, but we have got a lot of research and a lot of time and energy, I think, yet to devote to that. I have a lot of questions about it. I mean, I could ask a lot of questions, but I won't now because I don't think that is going to happen this year. At least, I hope not.

Senator MOYNIHAN. Can I speak to the thought there that child support is a responsibility, not an experiment.

Dr. NATHAN. Let me say that what I am referring to is the assured benefit, where the State pays if the parent doesn't. I quite fully agree with you on the need to include—in fact, that could be a good fourth part of such legislation—

Senator MOYNIHAN. Right.

Dr. NATHAN. Yes. Which is to move further in this direction with some kind of interstate capability. When Governor Kean testified before you, he pointed out that in our State—New Jersey—85 percent of child support payments are not collected; and part of the problem is the interstate problem.

Senator MOYNIHAN. The interstate problem is very real, is it not?

Dr. NATHAN. Yes. And also, I am personally comfortable with the garnishment idea, which is part of the Wisconsin plan. The only part I am objecting to is the assured payment, which is this back-door negative income tax.

Senator MOYNIHAN. Which takes you back to the notion of the guaranteed income and a negative income tax?

Dr. NATHAN. Right. I think you should be careful of that.

Senator MOYNIHAN. Could I just say that on the GAIN program, we had Assemblyman Art Agnos come testify last Monday morning, through the snow and all. He said, you know, I am one of those people you have heard referred to as a "San Francisco Democrat"; and he said I am working with a very Republican Governor, and we are getting along just fine. And I think you do recognize that this is happening now.

Dr. NATHAN. In the last paragraph in my statement, I quote the song from Rogers and Hammerstein, "When the farmers and the ranchers will be friends. . . ." And the California GAIN story is a perfect illustration. I spent most of my sabbatical out there last year, and I met and know Art Agnos. He is a very impressive person. I know the people in the Governor's office, and I have talked to the Governor about this. California is so far away that we sometimes don't know enough about it; but the California program is the one we should watch the closest because it is the furthest along, and it reflects this very delicate political balance that has—as I say in my statement—detoxified the welfare issue in many States. It is really quite remarkable.

Senator MOYNIHAN. Senator Dole.

Senator DOLE. No questions.

Senator MOYNIHAN. Dick, thank you very much. Professor Nathan, we are very much in your debt, and you heard Senator Dole say he would be checking in with you in the morning. And we will not fail to do so on a detailed and regular basis.

Dr. NATHAN. Thank you.

[The prepared statement of Dr. Richard Nathan follows:]

## Testimony before the Subcommittee on Social Security

U.S. Senate Committee on Finance

Monday, March 2, 1987

Richard P. Nathan  
Princeton UniversityPlease Stay out of the FAP Trap.

A policeman in the city where I was born, Schenectady, New York, was interviewed recently about his beat, which is the worst and most distressed part of Schenectady, a section called Hamilton Hill. The officer, Bill Potenza, was asked what should be done about the increased concentration of underclass people and conditions in Hamilton Hill. "Hamilton Hill's never going to change, jobs or no jobs...unless people get into some really serious educational programs...There's no pride built in up here...People that have hope and look to the future don't think day to day." (Capital Region, November, 1986.)

Hamilton Hill is a microcosm of what is being revealed by recently-released detailed city-poverty data from the 1980 census. For too long we have left geography, behavior, and attitudes out of our analysis of urban conditions. The underclass problem in America's cities is a problem of space -- a problem of the dramatically increased isolation of the multi-problem population (unskilled, uneducated, unmotivated people in broken or never formed families, often predominantly racial and Hispanic minorities) in the concentrated poverty areas of cities (areas with more than 20% poor population) and extreme poverty areas (areas with 40% or more population).

We recently analyzed the poverty and related social and economic conditions, based on these Census data, of the fifty largest cities in 1970. What happened to them over the decade of the seventies?

By 1980, they had lost 5 percent of their population, but their poverty population had grown by 12 percent. The percent of the poor in poverty areas (more than 20% poverty areas) had grown by 31 percent, a condition which William J. Wilson points out is primarily a result of the growth in the number of such ghetto poverty areas. (There are more areas now with concentrated poverty and multi-problem conditions.) This is the hidden city where we do and dare not go. For the fifty cities we studied, urban poverty is increasingly a problem of minority groups. The white poverty population of these cities declined by 18 percent. The black poverty population increased by exactly the same percent, 18 percent.

The situation is even more stark for concentrated poverty areas. The concentrated white poverty population (i.e., in 20% poverty areas) declined by 6 percent in these fifty cities. On the other hand, the concentrated black poverty population in urban poverty areas (20% poverty areas) rose by 23 percent, and the number of poor black persons in extreme poverty areas (40% or more) rose by 59 percent.

People who study urban and social conditions in the U.S. knew that these trends were worsening. What is remarkable about these new detailed city-poverty data is how dramatically they show this to be true.

I would add that this condition of a multi-problem underclass -- economic, behavioral, and attitudinal -- concentrated in areas where problem behavior is so easily reinforced is not one that we can measure with our social science calipers. We do not have enough data. The

figures just cited are suggestive of the diagnosis increasingly being made by urban experts of a worsening concentration and bifurcation of the rich and the underclass in our cities.

One cannot even begin to consider welfare reform in 1987 without considering these conditions and trends.

I have been interested in welfare issues for a long time. Twenty years ago, it was popular to say that the root problem of poor people is that they don't have enough money. That's what I thought then. Maybe it was the answer then. It is not the answer now. Money alone is not the answer; we absolutely must give more attention to the institutional dimension of policy change.

Officer Potenza of Schenectady, N.Y. is right when he says we need "some really serious educational programs" to get at the issues before this subcommittee.

The data and analysis just presented is the bad news. I also have some good news.

Important changes that move in the right direction are underway now on the part of state governments. Over two-thirds of the states are developing new programs of mutual obligation to provide education, training, remediation, intensive job search, and work experience for welfare family heads. There is furthermore a movement now being made to extend these programs, which I call "new-style workfare programs," to the fathers of welfare children as well as the mothers.

We are moving away from the easy abstractions of the seventies, the puristic economic solutions to the American social challenge, and we are now, at least at the state level, beginning to deal with the two left-out and critical variables of welfare reform -- institutions and values.



The institutional variable I refer to is the new-style workfare programs being implemented by the states. The values underlying these programs are work, family, education, and community. These are not controversial values that raise first-Amendment issues; they are values that the American society as a whole has shared for generations. It is unfair not to give signals to the welfare poor that if they share these values they are more likely to enter and live in the American social and economic mainstream. Inculcating these values in our young is what public education has been doing for more than a century.

What the states are doing now -- California, Michigan, Ohio, Oklahoma, Massachusetts, New Jersey (just to name a few) -- is changing their welfare system to transmit these signals -- different signals from those of the Great Society days. These are the ideas embedded in the mutual obligations of new-style workfare, obligations on the part of welfare family heads to move into the work force and obligations on the part of the states to help them do so. The California GAIN program is the most far-reaching effort to adopt this approach. In my own state, Governor Thomas Kean has recently developed a similar approach that would require welfare family heads with children over two years of age to participate in a similar program called REACH. My own view is that we should use the word "workfare," a word which used to have a much more negative connotation, to apply to this revolution by the states to convert their welfare systems from payment system to systems focused on jobs and work preparation and facilitation. The word "workfare" was first used in national policy in a speech by President Nixon, written by William Safire, on Nixon's Family Assistance Plan (FAP). I will have more to say about FAP in a minute.

Let me add here that the frequent comment that new-style workfare efforts are small and can't accomplish all that much is being seriously overdone. The MDRC findings are promising. What is more, there is good reason to believe that if we develop and extend these work/welfare systems, and give clearer signals and provide better programs, we will over time have bigger impacts in terms of higher earnings, reduced dependency, and changed conditions in the hidden city.

The recent GAO report on AFDC work programs (Work and Welfare, January 1987) which is a very good report, tends to understate what is going on now and what it is possible to achieve in the future. The GAO report is based on data from 1985. Much has happened since then. State governments are working very hard in this area. Yet even in 1985 in the states that GAO studied, their data show that there was 22.3 percent participation in WIN-demonstration projects. If we adjust for the fact that the WIN-mandatory group (pardon all this jargon) is for families with children over six years of age, this converts into about a 60 percent rate of participation for the target group for AFDC work programs. This estimate, if anything, overstates the situation in 1985. In any event, it is possible, I think, to look at the GAO's data and see the bottle half full rather than half empty.

Let me now return to the Nixon FAP plan which I mentioned earlier. FAP is remembered as Nixon's guaranteed income plan for the poor where the emphasis was on introducing the then-popular concept of a negative income tax into the welfare system in order to replace AFDC with FAP.

I was part of the effort, and make no apologies for my part in it. But in retrospect I believe it was, and still is, the wrong approach to welfare reform.

New-style workfare is much more likely to be the real welfare reform! What I worry about most is that the new and welcome interest on the part of this subcommittee in welfare reform in 1987 will fall into the FAP trap. The issue is not one of either/or, and it is not a simple one.

But what I see developing is the re-invention of the analysis that focuses on very shaky national income statistics to call for massive new transfer payments to the so-called "working poor." I do not deny that we need to be worried about this group -- namely, the people who are the top edge of welfare eligibility or are hard-working people not getting any welfare assistance, but with ostensible (note the adjective) incomes close to those of people on welfare.

We should not put all of our eggs in this basket. The ideas I have heard discussed in this forum to aid the working poor involve new income-transfer payments which gracefully are described in programmatic but not-budgetary terms. What do they cost? The answer, I am sure, is that they cost more than we can spend in the period in which this social policy window is open in 1987. The priorities are wrong. The question, I repeat, is one of balance and focus.

I believe we must focus on institutional change, relying heavily on state initiatives now underway, to transform and energize the welfare and school systems to "save" some of the people caught in the underclass. This is not something we can do over a year or five years, but it is the road we must be on. The challenge involved tests the very mettle of our political system.

And, in this area, I am happy to note that both the distinguished chairman of this subcommittee and the Reagan administration appear to be

in agreement. Senator Moynihan, along with ten co-sponsors, proposed legislation creating a Work Opportunities and Retraining Compact (WORC) in June 1986. The Administration recently, and all too quietly, sent Capitol Hill quite similar legislation to increase the flexibility of the states to provide an array of educational, training, remediation, child care and work-experience services to AFDC family heads. Acronyms abound in this field. The Administration's new bill is called the GRO program. Both the Department of HHS and the Labor Department have submitted legislation which moves strongly in the direction of new-style workfare.

Let me now make a key point. If this Congress has money to spend on welfare reform in 1987, I urge that you put at least half of it into these kinds of institutional "workfare" changes.

I urge that you not be sold a pig in a poke that gets you back into the FAP trap of big-spending income-transfer payments based on easy abstractions and weak data that are likely to end up costing you more than you could ever spend this year on welfare reform. (Former Senator John Williams could tell you all about the FAP trap, and he did tell us.)

Mr. Chairman, this year I suggest that you cautiously consider a couple of things in the income-support area in 1987, but not a generalized new work supplement or back-door children's allowance via state-paid child support where an absent father does not do so. The measures I would suggest are a modest (and I do mean modest) national minimum payment level for AFDC plus food stamps and mandating AFDC-UF. (Senator Daniel J. Evans has been a leader on these kinds of changes; I served on the Committee on Federalism and National Purpose that he co-chaired along with former Governor Robb which developed a set of proposals in this area.) I also suggest seriously exploring Robert

Reischauer's idea of adjusting the Earned Income Tax Credit for family size.

In short, some such combination of incremental steps with roughly half the money going for new-style workfare and half for next-step reforms in AFDC and related payment programs is what I urge upon you. It would be nice to abolish AFDC, but I think the smoke and mirrors and money required to do so make it impossible to accomplish this in the near-term, if I am any judge of the kind of legislative action that can be adopted in the current period.

There is a wonderful song from Rodgers and Hammerstein's "Oklahoma" called "When the Farmers and the Ranchers will be Friends." Then things will be okay, or should I say O.K.? The opportunity before you in the form of new-style workfare in my view represents such an opportunity where conservatives and liberals appear to be coming together on a "mutual obligation" (California-GAIN styled) approach to welfare reform. This "new consensus" has detoxified welfare as a political issue at the state level in many states. My reading of the current situation is that this idea, "new-style workfare," should be a major focus, with the emphasis on institutional change and value changes, of the welfare-reform decisions you make in Washington in 1987. Don't fall into the FAP trap again.

\*\*\*\*\*

Mr. Chairman, I have been active over the past dozen years with the Manpower Demonstration Research Corporation, and am currently chairman of the board of that corporation, which in my view has an important record

in the field we are talking about today. I would like to insert in the record at this point two short articles I have written about "new-style workfare" and the work of MDRC. I should stress that this testimony and these articles represent my views alone. I do not speak for my friends and colleagues on the board and staff of MDRC, though I am very proud of the work they are doing.

Richard P. Nathan

The Washington Post  
April 10, 1986

# A Welfare Revolution

*Quietly, in the states.*

For 80 years, welfare reform has been the Mount Everest of American domestic policy. Politicians have tried to climb it because it was there. The history of those ascents has been controversial. The proposals have been mostly comprehensive grand designs, made in Washington. One's position has been a test of one's ideology.

As a former participant, I now believe these earlier efforts to establish a negative income tax or guaranteed income system were the wrong approach to welfare reform. But in the past few years, there has been a subtle and little-noticed shift toward an alternative. A new consensus is emerging, emphasizing jobs and with state governments in the driver's seat.

In over two-thirds of the states, there is activity under the heading of "workfare," which I believe may turn out to be the real welfare reform. In the process, the meaning of the word "workfare" is subtly changing. In the 1970s, workfare was anathema to liberals who often damned it as "slavefare." The meaning of the term in this period was narrower than it is now. It referred to the single approach that people on welfare should "work off" their benefits. They should engage in public service jobs (often considered as "make work") for an amount of time equal to some wage rate (such as the minimum wage) divided by their entitlement to welfare assistance.

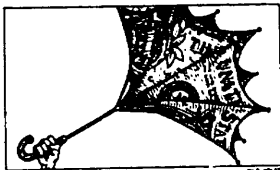
Historically, this has been the approach to welfare for adult men without families under state and county assistance programs. In 1971, the federal law was amended to require that a woman in the then-retroactive Aid to Families with Dependent Children program register for work and accept a "suitable" job if one is available and if her youngest child is over 8 years of age. This requirement does not say that states and counties have to set up jobs—only that if a suitable job is available (along with child care) an AFDC family head is required to accept it.

Ten years later, Ronald Reagan tried to move even further in this direction. He proposed that states be required to provide jobs to all AFDC family heads, again with children over 6 years of age and where child care is available. Although Reagan succeeded in 1981 in obtaining passage of fundamental welfare changes removing many working poor families from the AFDC rolls, he was not successful in winning enactment of universal and compulsory work as a condition of the receipt of AFDC benefits. Congress instead said that the states could test the approach along with other employment approaches to welfare reform.

The important new activity being undertaken by over two-thirds of the states involves tests under this new authority, although on a broadened basis that also includes job preparation and job search activities. The states are using a variety of approaches, they can be arrayed on a continuum according to the degree and character of the obligations imposed under these new state systems.

The welfare reform programs of Michael Dukakis, governor of Massachusetts, and George Deukmejian, governor of California, bear particularly close watching. The Massachusetts program called "ET Choices" is the most liberal test of employment approaches to welfare reform. (ET stands for employment and training.) The emphasis in Massachusetts is on job preparation and job search activities, not on compulsory work experience. This approach can be contrasted with that of states such as Utah and West Virginia that have a strong tradition of mandatory community work experience for welfare recipients.

California's program stands out as the most ambitious new state welfare reform in the nation. In 1985, the state enacted legislation to provide "Greater Avenues to Independence"—abbreviated, of course, as GAIN—for all qualifying welfare family heads. Under this program, all counties in California are to set up new systems to provide a range of services—training, education, job counseling and job placement. Eligible welfare recipients are required to participate in one or another of these services. If the services are not successful in getting an eligible AFDC family head into the work force, they are followed by six months or one year of "relief" community work experience in a presumably useful (not "make work") public service job. It is estimated that California will spend as much as \$300 mil-



lion per year on this program, not counting the expected welfare savings, when GAIN is fully implemented. This is more than the federal government spent in 1985 for the nation as a whole on welfare employment and training programs under its work incentive (or WIN) program.

It is not yet clear what will happen under the California or other new state welfare reform programs in the turbulent environment of Gramm-Rudman-Hollings. This quiet state-focused revolution is, in effect, an attempt to change welfare as an institution and, in the process, to reduce the stigma of welfare both for recipients and for the society. But such change does not come easily.

The Manpower Demonstration Research Corporation, based in New York City, has conducted eight state demonstration research projects on variations of the work and welfare approach in which more than 35,000 people have been assigned either to a new program or a comparison group. The results of these demonstrations so far, including one in San Diego that was a model for the California GAIN program, have been promising. However, the earnings and work increases achieved are not all that large, and furthermore there is variation among the states in these terms. One clear lesson from these state experiments is that it is bound to take time to deal with the accumulation of generations of the terrible problem of very high rates of single-parent families among the poor.

But there is new hope. The states are serving as testing grounds for welfare reform on a basis that involves a delicate balance act by liberals and conservatives: job-focused institutional changes to reduce the stigma of welfare are the essence of the new approach. It is too early to draw conclusions about its efficacy. But it certainly bears close watching; it could be the real welfare reform.

The writer also has drafted recommendations for health care reform and welfare in the Massachusetts state budget for the fiscal year 1987.

# The Trouble With 'Cashing' Welfare

By Richard P. Nathan

**A** RECENT news report revealed that White House officials are negotiating with selected state governments to test new approaches to welfare reform. One of these approaches would involve the idea of a "mega-block grant."

Under this approach, counties in selected states would be allowed to "cash out" a wide array of social benefits to the poor that are provided in forms other than cash. Welfare beneficiaries in those counties would receive a single lump-sum cash payment rather than multiple benefits. This experimental approach would include, among other programs, food stamps, Medicaid, public housing and school-lunch subsidies. Ten programs were mentioned as being under consideration for such a cash-out experiment in West Virginia. Federal legislation would be required before the experiments could go forward.

As a longtime observer of welfare policy making, and as a former government official involved in welfare reform, I am in favor of experimentation. But not this time! I think Congress should reject any effort by the Administration to move down this particular road. A look at the historical evolution of our welfare system tells us why.

In the United States, we have over the years moved in stages toward a multiprogram system for helping the poor. We have different approaches for different folks (the aged, the disabled and working-age able-bodied poor people), and we have different programs that in combination aid these and other needy groups.

Some observers regard this situa-

tion as messy and inefficient. I think it makes sense. There are different poverty conditions and there are different needs. Our seeming patchwork of welfare programs is more rational and better coordinated than many big-think experts realize. It is both intellectually and politically sensible to differentiate programs in this way.

Among those who will be most deeply affected by the experimental cash-out approach are working-age, able-bodied adults and their children, the group helped under the Aid for Families with Dependent Children program, which is paid for by the

## Our seeming patchwork of systems is rational and coordinated

Federal Government and the states on a shared-cost basis and administered by states and counties. This is the welfare program that, over the years, has been the source of the most emotional debates about welfare reform. The basic idea would be to consolidate existing federally aided programs that are not paid in cash (so-called "in-kind benefits") with the cash grant presently paid to the A.F.D.C. population.

Of all the programs that would be folded into one lump-sum grant, the largest is Medicaid. This raises huge questions as to how these experiments could possibly work without harming sick children and elderly poor people in nursing homes. These are the main groups now helped by Medicaid; the obvious danger is that under a block-grant approach the money now being provided under

Medicaid for children and the elderly poor in nursing would be diverted.

I find it ironic that a conservative Administration would adopt the cash-out approach to welfare reform. The same cash-out idea underlies the guaranteed-income or negative income tax approach to welfare reform, which also emphasizes a single lump-sum benefit for poor families. Liberal proponents of the guaranteed-income approach often argue that our current multiple welfare programs are paternalistic, and that poor people should have free choice as consumers. I have always associated with conservatives the opposite view — namely, that public policy should make sure that poor people and their children actually receive the things they need (medical care, better housing, nutritious school lunches, etc.), because if they are given cash, they are likely to squander it on gambling, liquor, potato chips, drugs, you name it.

Strictly from a political point of view, combining welfare benefits into a single cash grant would have the effect of making aid for the poor more visible and vulnerable. In contrast, the piecemeal system we now have tends to give each separate program a kind of political insulation. Under the existing framework, many different groups — farmers, supermajority, business, retirees, doctors, educators — see themselves as having a reason to support some particular stream of aid for the poor.

In the pluralistic American political environment, this has meant more aid for the poor. It has not meant excessive aid. However, in many industrial states, this combination of benefits at least produces an adequate or near-adequate aid package.

The White House plan for seemingly innocuous experiments to merge welfare programs in fact represents a fundamental change in direction on social policy. It is, as I have already said, the wrong road for welfare reform. One of its more perverse effects would be to attempt to give the Federal Government the opportunity

to put a cap on important programs, such as A.F.D.C. and Medicaid, that are now open-ended, in the sense that each state is free to establish its own levels of support. Once you take all your money into one pot, there is little to prevent political interests from reducing the size of the pot. We should move in exactly the opposite direction by establishing a minimum benefit for existing programs, especially A.F.D.C. — not a high minimum, but one that would raise aid levels in some states that still have very low rates of assistance.

At the same time, we should adopt

## Sick children and the elderly poor would likely suffer

and push ahead on another welfare reform idea of the Reagan Administration, which I think is a good idea, namely "workfare." This idea of providing training, counseling and jobs for able-bodied welfare family heads (if child care is available) is the right track.

In essence, we need two tracks — one that works toward uniformity in benefits and doesn't cut the states, and one that relies primarily on them to set up and administer job and training programs for the welfare population. The "mega-block grant" approach for welfare benefits represents a major change in social policy that we should debate fully and openly. Even though I believe that experimenting can be valuable, I think sneaking such a major change into law under the guise of social experimentation is a bad idea. □

Richard P. Nathan is professor of public and international affairs at the Woodrow Wilson School at Princeton University.



Senator MOYNIHAN. And now, we are going to hear a panel which will discuss some of those manpower studies that have been coming from the MDRC. I wonder if Dr. Lenkowsky, Dr. Novak, and Dr. Blum could come forward?

Arrange yourselves as you like. This panel will report to us on the Seminar on Family and American Welfare Policy, which was sponsored by the Institute for Family Studies at Marquette and supported by grants from the Bradley Foundation, the Olin Foundation, and the Charles Stewart Mott Foundation. The American Enterprise Institute provided the setting for the work. These are most distinguished persons and most welcome. I think we might just follow our regular pattern, which is to ask the witnesses to speak in the order in which they are listed. In the first case, that would be Dr. Lenkowsky, and we welcome you.

**STATEMENT OF LESLIE LENKOWSKY, INSTITUTE FOR  
EDUCATIONAL AFFAIRS, WASHINGTON, DC**

Dr. LENKOWSKY. Thank you very much, Mr. Chairman, Senator Dole. I am just going to briefly describe what the Working Seminar is. We were established about a year ago and consist of 20 nationally prominent experts on welfare policy, with experience going back, I believe, to the Administration of President Kennedy, which is when our concern about the growth of dependency began.

Although there are undoubtedly many more scholars we could have included, we feel that in terms of the range of viewpoints represented among our members, we are as broadly diverse as any group that has been studying the subject and issuing reports in the past few months.

We have commissioned a series of research papers. We have held a number of seminars, and both to our surprise and great delight, we have managed to arrive at a consensus on the principles that ought to guide the round of welfare reform that is coming up. To describe that consensus, I would like to turn to our chairman, Michael Novak.

Senator MOYNIHAN. That is very generous of you, Doctor. Dr. Novak, few persons have ranged as far in social policy as you have done with such unerring skill and grace and effort to conciliate. And by looking at the list of persons on that seminar, the farmers and ranchers have done something about the matter. Please proceed, sir.

**STATEMENT OF MICHAEL NOVAK, THE AMERICAN ENTERPRISE  
INSTITUTE, WASHINGTON, DC**

Dr. NOVAK. Thank you very much, Mr. Chairman. If I had had any insight at all in the area of our testimony today, I owe it to your stimulation some 25 years ago in the seriousness of problems in this area that one should keep in mind, and you also mentioned at that time why it was that American social thought typically neglected a range of areas, particularly regarding the family. And that hint, when I had more hair and was thinner and younger than I am now, was very important to me.

I would like, Mr. Chairman, to put on the record the statement prepared for this hearing, which I am free to call eloquent because

it was prepared by my colleagues for the seminar, Leslie Lenkowsky and Douglas Besharov.

Senator MOYNIHAN. It will be done.

Dr. NOVAK. And I would call especial attention to its concrete findings and then to the 10 general recommendations. We thought if the Ten Commandments were good enough for the Lord Himself, we shouldn't exceed that number as a working seminar. Those are the general recommendations, but we have some 60 or 70 specific ones in our text as well.

When we set out to see if we could establish a concensus among scholars about what the problem is, we weren't at all sure that it could be done. And I must say that on many points we had arguments right up until the last moments, trying to find language and principles we could all agree with. We could have set up a seminar of like-minded scholars to prepare a report, but we deliberately sought to form a kind of coalition between the Brookings Institution, the AEI, the Hoover Institution, and a representative as well from The Heritage Center. The idea there was to see if we couldn't find something that would help.

Couldn't scholars subdue their own philosophical predelections enough to find something that would actually help the dependent persons that are our concern? And could we find some things that we could all agree on would work, even though we would have differences on detail beyond that?

Our first stage, of course, was to say: What is the problem that concerns us and that concerns the country? And here, we decided rather early—and the evidence was rather overwhelming about it—that our serious concern was not income support for those who have no other means of support, for the elderly, for children, for the disabled. These are relatively straight-forward things. They have their own complexity, to be sure, but simply providing income support is a problem of a much lower magnitude of difficulty than the other problem which seems to be growing in importance in our society and is seriously troubling. That is the problem of able adults who, in normal circumstances, would be caring for themselves and not only caring for themselves, but are needed by others, and would under normal circumstances be caring for others as well, particularly their own children, sometimes for older persons.

The problem then is in our society, it seemed to us, that there is a growing number of fellow citizens who are not coping very well for themselves or for those who are dependent on them. We found this particularly shocking in the country—in a free country such as ours—because a free country depends on citizens of independence. It depends on citizens able to fend for themselves and to make themselves a contribution to the common good. And if instead they solely take from the common good, they are not in a position to exercise the independence becoming free citizens.

We found ourselves using—a good part under Professor Nathan's guidance—that deliberately shocking term "underclass" for a certain portion of the dependent we were concerned with—not all of it, but a certain portion. It is a shocking term because what America means is that there is no underclass. Everybody has a chance. The Statue of Liberty says: "Send me your tired, your poor . . ." It

begins with poor people, and typically poor people have become not poor people. What is very distressing at the moment is the number of persons who beginning poor are not moving from it.

Even under conditions of economic growth and even when they themselves report that jobs are available, they are not moving from it. This we ended up calling by a new name: the behaviorally dependent, persons who are not only dependent on the public purse—that is an objective fact to be ascertained—but another fact involved that their own behaviors seem to have them coping less well than they are, even in their own eyes, able to.

The two sets of behavior that we found particularly striking in the growing numbers of such persons are marital status and labor force participation. When you look at the proportion of able adults who are needy and dependent upon the public purse, it is disproportionately single heads of households—and most often in those cases, females. Married couples—just to give you a small figure that struck us quite vividly—married couple families, only 7 percent fall below the poverty line. Plus 93 percent are above it. Of course, in one sense, that is easy to understand because two jobs even at the minimum wage would get a family of four above the poverty line, but there are many other advantages of the married couple family that are quite striking.

Now, there are two points I would like to make about our study, if I might, very briefly. The first point is that it required a certain discipline in every imagination as we proceeded because the poor are so diverse when you actually look at the numbers, and they are scattered all over the country. There are growing numbers in rural areas, for example, and a growing problem of illegitimacy and non-formation of families in rural areas. One wouldn't think of that at first because the concentrations of the poor in the large cities are near to the media centers; and so, when we see images of the most striking poverty, from the media—the national media, in any case—they are almost always urban. And we tend therefore to get an exaggerated sense of how much poverty is concentrated in those 100 larger cities in the United States. It is a very serious and needy group, worthy of our study and our efforts, but it is not all of the problem of dependency by a long shot.

For example, in a recent year for the first time, the number of white children born out of wedlock exceeded the number of Black children. The problem is spreading. We learned in this that race is declining as a factor in the population that most drew our attention—those of the behaviorally dependent. The condition seems to have much more to do with marital status and with labor force participation than with race. And that, we think, is a very important finding of the last 20 years.

It does put us in a different position to go forward, I think, in a united and comprehensive way.

I would like at this point to go to some of the concrete findings we have, but I think I simply must refer to them in the paper because time is getting away from me. I have mentioned several of them in passing.

The second large point I said that I wanted to make from our study is that, when we thought about the problem of the behaviorally dependent and thought how can we actually help people to

help themselves, we discovered it is very much a human problem. It is hard to think of a mechanical or bureaucratic solution. It is hard to think that some technical adjustment is going to deal with what is going on inside people themselves. That is what needs to be touched and evoked, strengthened and drawn out; and then you must look to the surrounding world of technical rules and applications and conditions and so on to see what is in the way, to try to help get some of that out of the way of such folks.

But we laid stress because the numbers forced us to lay stress on the human dimensions of the problem. Put very simply: You have able-bodied persons who in normal times would be caring for themselves, would be seeking out mates, and having firm and stable marriages, and would be working as much as other citizens work, and drawing the income and skill development and progress that comes from that and who aren't. Many of their peers are—a majority of those in similar conditions—doing well.

So, you come back to a human dimension of the problem. On this human dimension, I would like to say that looking just ahead, we see a hopeful time. There has probably never been a time more hopeful for welfare reform than now, when the baby boom has passed, like the figure of the python, and where we will be facing some labor shortages in the next 13 years. It is a very good time to move people from welfare to work.

Second, we do think that, while there is no silver bullet or no one magic wand to wave, if we can reverse the trends a little bit, if we move a few hundred persons or families here—and if you move families, you move more than one person; that is one of the great assets of concentrating on families; you move not only the parents, but children, and maybe for the next generation, too, if they move from dependency to self-reliance. If we can get those trends reversed so that the numbers of dependent are going down rather than up, that already is a great achievement.

And ten years from now, we should be able to look back on this moment with considerable satisfaction.

The final point I would like to make is that perhaps our most important finding was that, when the country as a whole engages this problem of human dimension needs and sends a signal that every citizen has obligations as well as entitlements, that the Government itself has a signaling function. It not only tells people what their fellow citizens expect of them, it is in a position to say here are some of the things we expect, labor force participation for one thing. If you are on welfare, an obligation to work, because we need you. Your children need you; the country needs you. You are not forgotten by us; you are not apart from us; you are a part of this community. That is why we called our paper "A Community of Self-Reliance." A community has an interest in the independence of every citizen. And it is an unusual community in a free society which wants to promote independence in citizens. If a community exists, it is to develop self-dependent persons. It is a dual pool here.

Therefore, to conclude, we think it is important not to get lost in a forest of technicalities but to see the many human dimensions of this problem. And we believe national leadership, both from the Congress and from the President and the administration, must play a very large role because it is necessary in a problem so op-

posed to what America stands for and a problem of growing dimensions.

It is crucial to get the whole country exercised in reducing that problem. It is a problem of human dimensions that the churches, the schools, the universities, the media—very part of American life—is going to have to get involved. We have got to turn around this tide in that people need to be touched by all those citizens, professions, occupations whose lives intersect with them. Perhaps I had better stop, Mr. Chairman.

Senator MOYNIHAN. Beautifully stated. Senator Dole, did you have any questions?

Senator DOLE. No questions, but an excellent statement.

Senator MOYNIHAN. I understand that in a year of discussions, nobody ever got around to talking about marginal rates of taxation. That is not what interests you. What interests you are the responsibilities of citizenship and the fact that we need everybody to participate in citizenship. I think when you ask people to become involved because you need them, you are likely to get a different response.

Dr. Blum, it is a pleasure to welcome you here this morning. Barbara Blum was once the distinguished Commissioner of Social Welfare in the State of New York and has held all manner of positions.

#### STATEMENT OF BARBARA BLUM, FOUNDATION FOR CHILD DEVELOPMENT, NEW YORK, NY

Mrs. BLUM. It really is a pleasure and a privilege to be part of the panel today. My remarks will be very brief and I hope they can be useful. They reflect my personal observations from participating in the Working Seminar Group, sponsored by AEI and chaired so very effectively by Michael Novak, as well as earlier involvement over a 2-year period with the special task force of Welfare Administrators at APWA.

The deliberations of the welfare administrators produced the APWA report, "One Child in Four." The seminar sessions led, of course, to the report we are discussing today, "A Community of Self-Reliance." It is important to note, it seems to me, that both the AEI and the APWA initiatives involved persons of conservative, moderate, and liberal persuasion in long and very serious debates. In each instance, discussions have been open, intellectually honest, and have permitted welfare issues to be framed in very new ways.

The challenge now is to harness the consensus which has developed, as reflected in the seminar report, in the APWA report, and in other reports which you have reviewed so that positive changes can occur. The overlay for consensus as we have discussed today has to do with mutual obligation.

We are agreed that parents are obliged to provide support for their children. We are agreed that individuals, male or female, who are receiving income assistance have an obligation to participate in education, training, or work programs which will enhance their abilities to produce income and help them support their children. We are also agreed, I believe, that in some instances supplemental

support is required to ensure certain families the ability to function.

The report from the working seminar describes the plight of our Nation's poor citizens at the present time. For some, improvements in circumstance require only modest change in individual behavior or Government policy; but for others, and particularly for a growing number of children, our interventions will need to be substantial and continuing.

We have learned a great deal about improving the collection of child support. We are poised now, I believe, to shift our welfare program from encouraging dependency to generating self-reliance. The key for the future is whether we have the commitment and the skill to tackle the subject of deprivation for those families and children who will remain unaffected by positive changes in child support and employment initiatives.

The seminar report is exceptionally eloquent in documenting the importance of this family and child focus. Just in closing, I want to say that in order not to divert our energies from those things that we are learning to do well, I must sound a warning on the administration's Low Income Opportunities Act initiative. I think that there are ways to permit waiver authority. There are ways to encourage experimentation; but we mustn't allow our energies now to be diverted away from what Michael Novak was suggesting, that is, the coalescing of national interest in resolving the problem for us.

[The prepared joint statement of the Working Seminar follows:]

STATEMENT OF  
THE WORKING SEMINAR  
ON THE  
FAMILY AND AMERICAN WELFARE POLICY\*  
BEFORE THE  
SUBCOMMITTEE ON SOCIAL SECURITY AND FAMILY POLICY  
SENATE FINANCE COMMITTEE  
MARCH 2, 1987

Two centuries ago, a French immigrant, J. Hector St. John de Crevecoeur, wrote of the new American settler, "From involuntary idleness, servile dependence, penury, and useless labor, he has passed to toils of a very different nature, rewarded by ample subsistence." And so, for most Americans, it remains today. A resident of the United States can virtually guarantee a life free from poverty by accomplishing only three things: completing high school, staying in the labor force, and establishing a family. Such, still, are the blessings of this land.

Yet, a numerically small but significant group of our fellow countrymen fails to partake of this bounty. They are poor in means, but it is not their poverty that is most distressing. They often depend upon public assistance, but it is not their dependency as such

---

\*The Working Seminar is sponsored by the Institute for Family Studies of Marquette University and is supported by grants from the Lynde and Harry Bradley Foundation and the John M. Olin Foundation. The Charles Stewart Mott Foundation also provides support.

The American Enterprise Institute is a nonpartisan, nonprofit, research and educational institution, which itself takes no position on public policy issues.

that is worrisome. (The elderly and the disabled also rely on income supports, but arouse no comparable concern.) They are concentrated in large and generally prosperous cities, but it is not where they are located that really matters.

Rather, what is most important is their isolation from American society, their inability to acquire the skills and attitudes essential for functioning successfully in American life, their impoverishment of the spirit and lack of esteem. Without these, their chances of attaining the rewards of self-reliance that comprise the birthright of all Americans are slim. They remain locked, instead, in a behavioral dependency that belies their status as American citizens.

In keeping with another national tradition, Americans of all political and philosophical persuasions have sought ways to help this group out of its plight. We have given generously of our own wealth, through both public and private channels. We have invented new methods for enveloping them in the American ethos. We have reached out and involved ourselves in their lives. We have had some successes; we have also had some failures. And some of what we have done may have hurt more than helped. Yet, we remain ready to try again.

As the nation prepared to begin another effort, the Working Seminar on the Family and American Welfare Policy was created to enable a philosophically diverse group of experts to study the problem of behavioral dependency and make recommendations that would be useful to policy-makers and interested members of the public. Chaired by Michael Novak of the American Enterprise Institute, the group comprises experts as varied as John Cogan of the Hoover Institution (Vice Chairman);



Charles Murray, author of Losing Ground; Stanford Ross, Social Security Commissioner under President Carter; and Alice Rivlin of the Brookings Institution. (A list of the Seminar's members is attached.)

In the past year, we have commissioned nearly a dozen research papers, held a half-dozen meetings, and engaged in numerous informal discussions with knowledgeable observers from around the country. We have also had the benefit of reviewing the reports and conclusions of several other groups that have examined this problem from different vantage points. In our own report, entitled A Community of Self-Reliance: The New Consensus on Family and Welfare, we seek to distill the essence of this now considerable body of information and ideas to construct a set of principles that we believe ought to guide a new round of welfare reform. (We are submitting a copy of the report for your consideration.)\*\*

The starting point for all of these is the recognition that low income and behavioral dependency are two quite different problems and require different remedies. Approximately 33 million Americans are considered poor, using the official Census Bureau measure. (A broader measure, including in-kind benefits such as Food Stamps, would reduce this to roughly 22 million.) But no more (and probably much less) than one-third of that number (many of whom are children, living in families headed by an adult) are likely to present the kinds of problems that seriously diminish the likelihood of becoming self-reliant. For the rest, an expanding economy, improvements in income support and tax

---

\*\*The full report will be available soon as a book from AEI at 4720 Boston Way, Lanham, MD 20706.

policies, and other adjustments in our current ways of helping the poor should be sufficient to enable them to participate more fully in American life, if they wish to do so.

Our report describes this new form of poverty--"behavioral dependency"--which is caused not by low income alone, but by a growing inability to cope. Many people stay dependent on welfare through their own behaviors, such as dropping out of school, having children out of wedlock, and failing to work. The traditional solution of economic growth plus income supplements is not working well enough to diminish their dependency.

Our report details changes in family structure and labor force participation that are the chief causes of behavioral dependency. Among its findings are that:

- o The concentration of black and Hispanic poor in high-poverty census tracts in the nation's 100 largest cities (now totaling some 4.1 million persons) grew almost 60 percent from 1970 to 1980.
- o In such locations, female-headed families outnumber married families 3 to 1, and the labor force participation rates of males are far below those of twenty-five years ago.
- o Fewer than 7 percent of intact, married couple families have incomes below the official poverty line, but 34 percent of female-headed families are poor and they constitute the fastest growing segment of the poor since 1965.
- o The 3.4 million mothers on AFDC work much less than nonpoor mothers. Forty percent of nonpoor mothers with children under 18 worked full time for at least 40 weeks during 1984, as opposed to only 9 percent of AFDC mothers.
- o Among the 7 million children on Aid to Dependent Children (in 1983), 46 percent were born out of wedlock.
- o Children born out of wedlock, regardless of race or age of mother, are more likely to be low birthweight, to drop out of school, and to themselves have children out of wedlock.

- o Only 13 percent of the working-age poor report as their reason for being unemployed that jobs are unavailable.
- o Its labor force participation of young black males ages 16-24 has fallen dramatically since 1962, from 59 percent to 44 percent.
- o The very poor, especially in urban areas, are twice as likely to suffer from robberies or burglaries as the nonpoor.

A study commissioned by the Seminar concluded: "Those who do the following three simple things are unlikely to stay long in poverty: (1) complete high school; (2) get married and stay married; and (3) stay employed at a job, any job, even at first at the minimum wage." Based on the computer tapes of the University of Michigan's Panel Study of Income Dynamics, it found that:

- o Of all men ages 20-64 with a high school education, only six-tenths of 1 percent were in poverty in 1970. For blacks, only 4.7 percent of black male heads of household with just a high school education were in poverty or near poverty by 1980.

Providing income supports for persons of low income is relatively straightforward, but helping the dependent to adopt self-reliant behaviors is far more difficult. Behavioral dependency is so rooted in personal behaviors that it can be overcome only by the personal involvement of all Americans, and all institutions of American society, not solely by government.

We therefore make a series of recommendations on how religious institutions, schools, the media, and neighborhood and professional associations can become involved in responding to the plague of dependency. At every level, those who help to shape the national ethos must help recreate our two-sided ideal of community and self-reliance.

There is a common idea which should serve as the basis for the efforts of all these institutions. It is the concept of obligation. No

person should be involuntarily poor without others coming to his or her assistance. No able adult should be allowed voluntarily to take from the common good, without also contributing to it. Parents should be expected to support their children; children should be expected to prepare themselves for becoming self-reliant adults. The mass media, religious bodies, voluntary groups, schools, law enforcement authorities and other institutions important in the lives of the poor should assert standards of conduct conducive to avoiding dependency and expect that they be adhered to. When obligations are not met, the consequences should be felt, except where harm might befall innocents.

In other words, the problem of behavioral dependency requires us to go beyond questions of income in order to attend to questions concerning the way people organize their lives. What is distinctive about behavioral dependency is its moral or attitudinal component. It is not enough for the makers of public policy to attend to externalities and public arrangements, without also being aware of the ways in which policy impinges -- or fails to impinge -- on personal and social values. Private institutions likewise have a responsibility to help shape an ethos favorable to those of the poor seeking to practice the traditional disciplines by which Americans have long bettered their own conditions and those of their families. By emphasizing obligations, society can help inculcate and reinforce the values and habits essential to escaping poverty.

Nevertheless, government policy plays a crucial role: it sets goals for citizens and incites efforts. Therefore, our report also makes major recommendations for government action. Our report argues

that it has been a mistake to offer welfare benefits without imposing on recipients the same obligations faced by other citizens, to try to become self-sufficient through education, work, and responsible family behavior.

In addition, it can help restore self-respect to the poor. Often in the past, programs designed to help persons of low income have offered benefits without imposing any duties in return. This is to treat them as less than full citizens. To hold all people responsible, as befits their abilities, for acquiring those skills and competencies necessary to self-reliance is only just. And while many may need some assistance, to hold those on welfare personally responsible, too, is no more than is asked of other citizens. And much more than is expected of clients. Such a change in self-image is indispensable for reducing behavioral dependency.

For developing a sense of personal responsibility, for transmitting social values and habits, for providing aid and comfort, no institution is as important as the family. Indeed, the problem of behavioral dependency is largely (though not entirely) one of the family. Eighty percent of the poor live in families; sixty percent live in families with children under eighteen; of the latter, half are headed by a single parent. Such families are doubly disadvantaged; they often lack earning power sufficient to make good use of the economic opportunities available to them and some are also short on the social resources necessary to instill the skills for self-reliance in their members. Misguided public policies and activities by private groups have, as well, sometimes increased more than they have lightened

the burdens such families face.

Hence, the crucible for the next round at welfare reform must be the family. All our efforts should be directed toward reducing the number of single-parent families, or for those that are created, insisting that adequate support -- educational and nurturing as well as financial -- be maintained. To be sure, twenty-five years of experience have demonstrated that these goals are easier proclaimed than achieved. But it is essential to continuing proclaiming them, and trying to realize them, through both public and private efforts, if the challenge of behavioral dependency is to be met.

To that end, we offer a number of specific recommendations. They are neither earth-shattering nor unique. We do not believe there is a magic answer, a simple but as yet undiscovered solution, to the problem we face. (The closest, the foundation for all else, is economic growth, but even it is not sufficient to deal with the kind of dependency that concerns us.) Rather, we think the best hope lies in mobilizing an across-the-board effort, built on the following principles:

I. The home environment for young children in impoverished families should be the primary location for preventing future dependency. Parental responsibility for the support of children should be reinforced; political and administrative pressure should be brought to bear to improve the level of child support enforcement. The fathers of out of wedlock children should be identified through mandatory paternity findings. Voluntary associations should help young mothers through classes in child care and child education, and other efforts that bring these mothers out of isolation, in social settings that

provide child-care and instruction.

In regard to teenage mothers, welfare policy should not confuse their legal status as parents with their physical and emotional standing, which may be less than adult. Consequently, unless there is a finding that their safety so requires, welfare benefits should not be paid to recipients under 18 living in independent households.

Child abuse and neglect are serious national problems. However, there is a tendency to treat the symptoms of poverty as a form of "child neglect." A large number of poor children now being placed in foster care could be safely left with their parents.

II. Schools should impose high standards of achievement, behavior and responsibility on all students. Communities should be encouraged and assisted in setting high standards for their schools, recognizing that the key factors are: strong principals, an orderly but not rigid school atmosphere, a schoolwide commitment of resources to and focus on basic skills; a highly visible expectation that every child can learn; and frequent monitoring of the performance of every student.

Fear of lawsuits claiming the violation of "student rights" has deprived some school officials of a spirit of initiative and led others to take the course of least resistance, for example by not enforcing standards of behavior that they know have been violated. Federal law should be amended so that, within appropriate limits, principals have greater good-faith discretion in setting and enforcing schoolwide standards of behavior.

Parental involvement in schooling should be increased, including, perhaps, by giving parents a greater measure of choice regarding which

public schools their children attend. Some members of the Working Seminar favor a voucher or an open enrollment plan; others doubt the practicality of such plans. All agree in seeking ways to give poor parents more of the flexibility and freedom others already have, and to make the public schools more accountable for their performance among the poor.

III. The rights of the poor to integrity of life, limb and property should receive equal protection under the law. To reduce the scourge of crime in the communities of the poor, innovative methods of policing should be introduced, court procedures tightened, and the illegal drug trade better controlled. Standards of conduct in public housing enforced, and volunteer efforts, such as neighborhood associations, encouraged.

IV. Since voluntary associations have a public character and public responsibilities, they should focus their power on reducing behavioral dependency. The mass media should help nourish a moral environment in which the habits crucial to exiting from poverty are reinforced, religious institutions should challenge the poor and empower them through spiritual determination, inner strength, and community involvement, and other voluntary groups should employ their own special skills and resources to invent new ways of coming to the aid of the poor and dependent.

V. Welfare recipients should be required to take part in work (or time-limited training programs) as a condition of receiving benefits. Young mothers should be required to complete high school (or its equivalent) and prepare themselves for future employment. Older mothers



with previous work experience should be expected to find work in the private sector or (as a last resort) to accept assignment in the public sector. Those involved in work programs, whether staff or participants, should be expected to regard every job, even part-time and at minimum wage, as an obligation to society, as important to future work experience, and as an occasion for self-development.

VI. The implementation of work programs should move forward cautiously and in graduated steps. Programs should neither be massive nor designed for swift results but for steady progress in increasing the share of the employable engaged in constructive work. States and localities should have a financial incentive to reap the benefits of the savings gained by moving the dependent from passive reciprocity to productive work.

VII. Cash benefits should be transitional in nature. After a specific time limit (such as two years), a recipient of AFDC would be required, as a condition of further assistance, either to find employment or to accept a public job.

VIII. Clear and fair sanctions should be imposed on able recipients of benefits who fail to work without good cause (such as physical or mental disability). The vast array of rules and procedure that have grown up around access to public assistance programs-- frequently as the result of judicial action--must be critically reexamined. Some rulings seek onesidedly to protect the rights of recipients to benefits, without giving due emphasis to the obligations that recipients have to the rest of society, including the duty to seek to become self-reliant.

IX. The working poor should not be taxed into poverty. State and local income taxes should be adjusted to lift their burdens on the working poor. Expansion of the Earned Income Tax Credit to offset more of the burden of federal payroll taxes should be carefully examined.

X. In the administration of welfare, the principle of federalism should be maintained, but policies should be adjusted to emphasize state and local innovation. State and local governments should be given great latitude to experiment with methods of reducing poverty and dependency. Federal rules and regulations should be reviewed to be sure that these do not unnecessarily complicate or limit state and local initiatives. Standards for assistance to the poor should reflect local living conditions.

These recommendations do not contain the specifics that might be required for a legislative proposal or administrative action. In our view, such details must inevitably be worked out pragmatically, through the give-and-take of the political process, where the ideal yields to the realistic. While we would be eager to discuss legislative changes with the committee, far be it for us to try to make such judgments in advance and in any case, there are already enough specific proposals, bills and reform plans before the public that another one would only add to the confusion. It is urgent that the nation act; not lose its way in the forest of technicalities which have too often entered into discussions of welfare policy in the recent past. We hope the principles we have set forth will serve to identify the crucial issues with which all serious initiatives should deal and be a bipartisan standard by which to judge how well they are likely to work.

Our group views the present consensus about the need to impose obligations on welfare recipients as a historic opportunity to reduce behavioral dependency. But we warn against excessive eagerness to embrace workfare and similar programs as a panacea to welfare dependency. Past federal job training programs have not had impressive results and that more recent workfare experiments have reported only modest success.

We recommend a step-by-step approach to workfare, securing sound successes and avoiding over-promising and disillusionment. Programs should be neither massive nor designed for swift results but for steady progress in increasing the proportions of the employable engaged in constructive work.

It is important to emphasize that our report is not only the work of a group of experts on welfare policy, but of a bipartisan group, whose membership ranges broadly across the ideological spectrum of American politics. When we first came together, we were not sure that we would be able to produce a consensus statement. However, we soon discovered that our views on the nature of the problem that had to be addressed were surprisingly similar. Moreover, in the course of our deliberations, a remarkable process of accommodation began to occur. Those among us who are more conservative in outlook became willing to accept a more extensive and permanent role for government than they might otherwise have, while those who are more liberal came to accept the need for both public and private agencies to insist on obligations and standards of conduct in return for benefits. Ideology gave way to compromise, as people of good will strove to deal with the urgent problems at hand. In short, the "center" appeared--and held.

We trust this is a good omen for the new round of welfare reform efforts that has now begun--and for American politics as a whole.

Senator MOYNIHAN. Say that a little more, maybe all three of you. You heard the administration speak this morning. What troubles you? Or what should we be watching for? I mean, at a time when there is a genuine emergence of: Can we not do this different and better?

Mrs. BLUM. I like the idea of encouraging local experimentation. That is healthy. There is no reason in the world there can't be many, many demonstrations approved, without moving away from some solid support for the work initiatives that States have developed a capacity to implement, without diverting us from the need to look at the minimum standard question. I see the danger as a diversionary tactic that will pull our energies away from those things that we already are learning to do.

Senator MOYNIHAN. And it is the judgment—is it not?—of your seminar, Dr. Lenkowsky, that some facts have emerged and some facts have changed. The fact that Dr. Novak spoke of is the much more general problem than it might have once been, and it is a more difficult problem than anybody quite knew; and yet two or three things emerged. I guess the point about the MDRC studies is that we find—or you find—that work training programs tend to benefit most those who most need them.

Mrs. BLUM. Yes.

Senator MOYNIHAN. That is kind of lucky. It is usually the other way around, right?

Mrs. BLUM. It is very exciting.

Senator MOYNIHAN. Yes. And an important thing is that the demography is working our way. I would like to tell you all that we have had now six weeks of hearings; and one Governor after another—not invariably—but in succession have come in and said: The State of New Jersey is going to create 600,000 new jobs by the year 2000, and we are not going to have the people for those 600,000 jobs unless we educate them now. You know, that great baby boom that crashed through every institution in this society and left one after another in disarray or ruin for 40 years has finally receded, and the numbers are going our way for a change. You do agree on child support? And you were saying, Mrs. Blum, that we are learning more about it. Could you speak to that?

Mrs. BLUM. About child support?

Senator MOYNIHAN. Yes.

Mrs. BLUM. With the advent of computers in the States, there has developed a sophistication that we need to press forward with more. We can, for instance develop uniform and consistent standards.

Senator MOYNIHAN. Standards?

Mrs. BLUM. Yes. Our judiciary tends to be rather inconsistent, and it is very sad to see, in one instance, a judge in Brooklyn perhaps establish one standard and in the Bronx another. That is a hard thing to deal with; but we must talk more about equity in the allowances that are approved. There are computer matches between States; we should foster those and perhaps provide incentives, so that we get the cross-State support provided.

I think that for child support we have good technology.

Senator MOYNIHAN. Until you got that microfiche, it didn't matter how much you tried, but now, in a nanosecond you can

bring up the Social Security Numbers and files and so forth. The interesting thing here is that so much of the essential statutory decisions have already been made. It is just that no one has done much with them.

In 1975, this committee and the Congress in a statute made it permissible to use Social Security information for purposes of obtaining child support—something that had not ever been done in Social Security. That was over ten years ago, but nothing has been done with it. It doesn't mean you can't.

We don't have to go through the issue of whether this is a permissible use of information. It is in the statute and has been for some time.

Dr. LENKOWSKY. Senator, we have a work in progress that one of the members of our seminar, Doug Besharov, is now finishing; it is not yet ready for release.

But on this matter of child support, we can indeed go beyond considering standards, matching and so on to focus a little more squarely on the problem. Those alarmingly low numbers of women heading families who receive child support are largely due to the still lower—and alarmingly lower—numbers of mothers of out-of-wedlock children receiving child support orders. With mothers who head families as a result of divorce, we are doing pretty well. With those who wind up heading families as a result of illegitimacy—and they are by no means just teenagers—we are doing terribly.

To go beyond that, we recommend in this report, for example, that paternity findings be mandatory when new welfare cases are opened. And if a case is opened—

Senator MOYNIHAN. In the great City of New York, for which you were once responsible, among other things, we don't even require that Social Security numbers be placed on birth certificates. And the simple fact is that failing to use technology for paternity findings is just dumb.

This is the 100th anniversary of Frances Perkins birth, and there was a seminar in New York on Saturday about the origins of the Social Security Act. And I wonder if you would agree with the proposition which I put forward that, in terms of where we seem to be today, we are changing the general consensus about the subject. If you went back say to 1950, you would find a very different proposition in terms of what was real and what was desirable. With regard to child support, as has been written about by one of your seminar participants, Blanche Bernstein, the doctrine was that if you expected any difficulties in achieving a policy objective, such as increasing child support collections, you ought not seek the objective. The argument against child support was, "You just disrupt the family; it's not good for them."

I mean, the best practice was not to seek it. And this lingers in the family courts like the businessmen who are slaves of some defunct economist and the judges who are still practicing what some professor at Columbia taught two generations ago. We have changed our view on child support very little. On work, it was thought that the mother of children should not work. It was thought to be unfair to the children; and we think otherwise now.

And the last thing, I think, is that 50 years ago we thought whatever the problem was, it was going to go away. It was a residuum

of this Depression and a certain amount of internal migration. And I think all those things have changed. I mean, we have changed our understanding of them.

Dr. NOVAK. Senator, one other point I would like to call to attention is that we noted that only ten of the States had 60 percent of the AFDC caseload. In other words, the problem is concentrated in a rather remarkable way, and this sort of finding does lend power to the suggestion that different States face very different problems, both in the numbers of cases and in the types of cases that they confront.

Therefore, a certain respect for these differences has realism on its side, and I think it helps to account for the extraordinary energy in the States. Professor Nathan has been unusually good, but many other members have, too, in calling the attention of the seminar to the variety and energy and effervescence in States and localities in their experimentation. So, I would like to say I think that side of the Administration's proposal dovetails so nicely with what the APWA office has recommended and with what the Governors have recommended; and I wouldn't want that to be lost from sight.

Senator MOYNIHAN. I much agree. Can I say we keep encountering the same things? There is this question of child support for unwed teenagers. Well, in Indianapolis, they have a program requiring young men to put up \$12.50 a month just to get into the practice of supporting their children; as they will learn to their sorrow, it gets more expensive as time goes by. But the fact is that we are beginning to learn things, or we hope we are.

The variation in the States is painful, and I don't know what we can do about the great concentrations. If I can tell one anecdote, we had a hearing about six or seven years ago on foster care and the adoption system.

We had a commissioner of welfare from—shall I say—Idaho, although it may have been from a neighboring State; and they had a program that they were very proud of and we were very interested in it. And I asked the gentleman involved: Could you tell me how many people are on it or are involved? And, oh my Lord, I obviously had said something very terrible to him because he didn't know; and he was absolutely shocked. And he turned and asked someone behind him. I said: How many families are involved? And he just didn't know, and then he turned back and said: 87. He wasn't sure whether it was 88 or 84 or 83; he wasn't going to give me an "about" number. I mean, he knew their names, but he wasn't sure how many people were involved. And in that State you can do one thing, but think about the conditions in Chicago or another large metropolitan city.

I want to thank you very much for a year's work very well done. Your appearance, as much as anything, enables us to put the recommendations in the record. We are going to get back with you as we try to craft legislation. Dr. Lenkowsky, we know that you were the one who shepherded and made possible all those arrangements, and we congratulate you on its extraordinary success. If these ranchers and farmers can agree, there is hope for us all. [Laughter.]

And we thank you very much indeed.

Now, as our next panel of the morning, we have Prof. David Ellwood of the John F. Kennedy School of Government at Harvard University; and Prof. Christopher Jencks, a Northwestern University professor. Professor Jencks, I have been passed a note that you have to leave by noon. And that being the case, we will reverse our practice and ask you to speak first, and then we will hear Dr. Ellwood.

**STATEMENT OF PROF. CHRISTOPHER JENCKS, NORTHWESTERN UNIVERSITY, EVANSTON, IL**

Professor JENCKS. Thank you, Senator. For the past 4 years, my colleagues and I have been conducting research at Northwestern on changes in the standard of living over the past generation. And I think this research focuses attention on the question of what the problem we are really trying to solve in this welfare reform effort really is, in a way that might be useful to the committee.

When we have looked at the material conditions of the life of the poor over the last 25 years, we found that between 1965 and 1977, poor people's food consumption rose almost to the same level as that of the middle classes. When we looked at health care, we found that between 1960 and 1980 poor people's chances of seeing a doctor if they were sick enough to restrict their activities in some way, rose to the same level as that of the middle classes. And even among poor people who did not become sick enough to restrict their activities, the differences are very, very small.

When you look at housing conditions—complete kitchens and complete bathrooms, whether people have air conditioners, all the kinds of material things that the Census Bureau has traditionally gathered data on—you find that there is a dramatic improvement in the standard of living of people who are living at the poverty line even though the poverty line is supposed to represent a constant standard of well-being, it seems in fact to have represented a steadily rising standard of living over this period.

Senator MOYNIHAN. Can I just interrupt to say that when we were doing low-income energy assistance—as I mentioned earlier, that proliferation of programs—in order to get regional balance, we had to provide for heating in the North and air-conditioning in the South. [Laughter.]

Professor JENCKS. I don't want to exaggerate the good news. In 1984, the Gallup survey found that 20 percent of all Americans told them that there had been a time in the last year when they didn't have enough money to buy food; 25 percent said there was a time in the last year when they didn't have enough money to pay for medical care. So, it is not that the problem has been solved. It is that the problem is a lot better than it was and a lot better than you would think if you looked at income statistics or, I think, at AFDC benefit levels. So, I don't want to leave you with the message that there is no problem out there, but simply that we have made enormous progress on that front.

Now, at the same time that material progress was taking place, it seems clear that there was a deterioration in the social fabric of society, and I am not confining this to the poor, of course. But our crime rates rose, and those increases were—at least in absolute

terms—largest in the inner city poor areas. Employment rates for poor teenagers fell, while employment rates for affluent teenagers rose.

Labor force participation for adult men fell; again, the largest decline was for the poorest people. The percentage of children born out of wedlock increased. The percentage of fathers who were supporting their children in any way declined. The percentage of families depending on AFDC obviously rose.

Now, what that says I think is that we need to make a clear distinction between a story of material progress and a story of moral and community disintegration. Those developments are not the product of individual wickedness. Men and women are no more wicked than they used to be, by nature. Poor people are not inherently more selfish, amoral, or dependent than rich people.

Those developments are products of changes in the whole of American culture, which happened to have their worst effects on the poor. Now, it seems pretty clear from most of the evidence that AFDC and indeed the welfare system in general has played a relative minor role in those changes; but it also seems pretty clear from the political turmoil surrounding the welfare system that we must respond to the perception that the welfare system has contributed to this sort of moral deterioration. And that leads me to my series of suggestions about how one might go about thinking about welfare reform proposals, suggestions which I think apply regardless of whether one thinks of these as experiments at the State level, or whether one thinks in due course of moving to some national effort.

The direction I would like to urge the committee to move in is one not of simplifying matters and not of being alarmed at the complexity of the present set of statutes, although there are some kinds of complexities that need to be worried about; but rather, in the direction of making distinctions among types of recipients of AFDC.

Senator MOYNIHAN. Yes, yes.

Professor JENCKS. Two sets of distinctions, seem to me, particularly important. First, it seems to me crucial that we make distinctions between AFDC recipients who are long-term recipients and AFDC recipients who are short-term recipients; or if you want to put it slightly differently, people who are in need of short-term help to get through a comparatively brief period in which they need to depend on somebody else, and people who are, at least potentially, long-term dependent.

It seems to me there are relatively limited difficulties—some difficulties, but not severe ones—in a program which is aimed at providing help to people whose marriages have broken up, a program if you will of divorce insurance which would help people for a short, limited period of time in the same way that, say, unemployment benefits help people who have lost their jobs. If you imagine a program of that kind which had, say, a 12-month or a 24-month maximum on it and then ended, I think that the general concern of the public and the incentive effects would be dramatically reduced.

It seems to me, by the same token, that one could imagine a program which provides mothers of very young children with short-term assistance while their children are very young. If you imagine



an AFDC program which provides benefits to children under two instead of children under 18, the concerns that we have about the incentives to long-term dependency and the disincentives to work would be very dramatically changed.

Now, if you think in terms of longer-term programs, programs which are aimed at people who are unable or unwilling to help themselves over the long run, again it seems to me we need to make distinctions based on what you might think of as moral hazard, or the question of whether those people are potentially able to help themselves. And here again, I think we need a clear distinction between people whom we judge to be either physically unable to work or mentally unable to work—that is, the disabled—and the people who are sufficiently able-bodied that we expect them to work. That distinction has been very blurry in the administration of much of AFDC. It exists in principle but not so clearly in practice. I think a great deal of the political difficulty surrounding this program would be reduced if we really had separate programs for these two kinds of recipients and defined people clearly as unable to work and therefore potentially qualified for some kind of relatively generous long-term assistance because we didn't believe that anything we could do would get them back in the labor force, and people who were, in our view, able to work.

And there is, I should add, one crucial question in here, which is: If somebody is judged to be disabled, unable to work, not for physical but for mental reasons of one sort or another—they are mentally retarded, they are irresponsible or they are mentally ill—there is a serious question as to whether those people should be custodial parents to young children. There is a real issue, in my mind at least, as to whether somebody who is unable to hold any job is likely to be a fit parent to young children. I wouldn't want to make a sort of iron generalization about that, but it seems to me we need to look at that rather carefully.

Then if you turn to the sort of nub of the issue that I think perturbs the public, you have the category of people whom we judge to be potentially able to work but also potentially long-term dependent; and there I think there is an emerging consensus that benefits ought to be conditional on some kind of work effort. But if you view this issue as sort of an issue of establishing clear moral standards that we expect people to conform to, it seems to me almost inconceivable that we can turn that situation around without an arrangement in which we really guarantee those people some kind of employment. It seems to me we need some kind of employer-of-last-resort situation so that we can assert that everyone who is able to work should get some kind of a job in order to qualify for the panoply of other benefits that would then be available.

That means that somewhere—private sector or public sector—we have to have some kinds of jobs which everybody can get. Clearly, if you make the Government the employer of last resort, those jobs can't be wonderful or they will grow rapidly; but we need some kind of work requirement that everyone can meet in order to become eligible for a range of other benefits. I discuss the range of benefits that you might be able to tie to those employment conditions in my statement.

Senator MOYNIHAN. That is a very clear proposition and not unusual, coming from you. I have read a good deal of what you pretty much have ready for press. But looking at actual consumption levels—consumption of services and consumption of goods—we continue to be better off year to year. Then there is this condition of median family income, which really hasn't changed in 17 years—it may even be down a bit from 1973. Still, medical services are the best example of the increased availability of goods and services among poor people.

But something larger happened in this society. You want to make that clear. You are a top-downer in that regard. The process of moral and community disintegration commenced, and there was a change in the culture. It had its most powerful impact on the poor, but it was a general change and visible if you looked for it at all levels.

Professor JENCKS. That is certainly correct. I think defining the problems you have not just with the poor, but to a lesser extent in the population, they simply don't have the same devastating consequences.

Senator MOYNIHAN. You are a very careful quantitative scholar, Dr. Jencks. How do you quantify a moral and community disintegration?

Professor JENCKS. I wish that I knew how to do that. I have been struggling with that problem now for something like 10 years. I think that, in the end, what one does is one identifies a set of symptoms and says one isn't really quite sure why they happen. Why is it the case that more fathers than in the past are not supporting their children? The assertion that this is some sort of decreased sense of responsibility can obviously be answered by assertions that in fact they are less able to support their children and so forth. You can't be absolutely certain why people do the things they do. You can ask them, but that doesn't always throw much light on the question. But it seems to me that what we are looking at, or what we are looking for if you are trying to quantify this, is evidence of behavior that most of us at least view as some showing concern or lack of concern for the welfare of other people.

Now, that concern may be genuine, in the sense that I really care about my children; or it may be induced by respect for social norms. I may not really care so much about my family, but I feel that it is appropriate that I should act that way and support them as a responsible citizen.

Senator MOYNIHAN. What will the neighbors think? Are we talking about an anomie development?

Professor JENCKS. Certainly in the sociology departments we are. I have never been quite sure what Durkheim meant by that word.

Senator MOYNIHAN. Anomie means what I guess he meant it to mean. But he does have that nice phrase: "A dust of individuals . . ." You know, you raised the point here that we are dealing with something so much larger than this issue of welfare. Or alternatively, you are saying a condition which the general society has generated is having such an enormous impact on a subgroup that at a minimum we ought to do something about that.

Professor JENCKS. I think we are looking at a situation in which there has been a growth in the idea that taking care of yourself—

looking out for number one; however you want to put it—is more legitimate than it was two generations ago or even a generation ago. I think that that problem is exacerbated in low-income communities by a whole set of economic and social circumstances that make that set of norms particularly catastrophic for the poor.

The poor are the people who can least afford to have their lives regulated by that kind of attitude. I think that there is something that the Government can do about that, but I wouldn't want to exaggerate how much.

Senator MOYNIHAN. All right. If I could just say this, since we are going to end up on an academic note here. Dr. Novak begins his paper by saying that two centuries ago, a French immigrant, J. Hector St. John de Crevecoeur wrote of the new American settler "from involuntary idleness, servile dependence, penury, and useless labor, he has passed to toils of a very different nature, rewarded by ample subsistence." It happens that this was from "Letters from An American Farmer," which was the first book of that sort that reported to Europe what America was like. And the Library of Congress has just gotten the original manuscript on microfiche; and we had a dinner the other night for the library and afterwards the librarian sprung for free paperback copies of the book. And I got to reading it again after many years and came upon this little touch, which I find interesting. He gets to Nantucket, and it is just about 1780, I suppose. And he notes that in Nantucket they are all Quakers. There are no Irish or any other of those elements that tend to make things less than they ought to be; and they are very careful, very prim, very neat, very clean, very orderly. And he goes on to say that a singular custom prevails here among the women. I was greatly surprised and am really at a loss as to how to account for the original cause that has introduced in this primitive society so remarkable a fashion or, rather, so extraordinary a want. They have adopted these many years the Asiatic custom of taking a dose of opium every morning. This is much more prevalent among the women than men. I mean, all those fine Quaker ladies started out the day with three grains of opium. So, you never do know about society.

We do thank you, Professor Jencks, very much. I am watching your time, Dr. Jencks. Is that material ready? Do you have your research in publishable condition?

Dr. JENCKS. I think it will be momentarily. The document I brought here has been scratched all over and some also had a child's breakfast spilled on it, I have to report. [Laughter.]

Senator MOYNIHAN. I see.

Professor JENCKS. I will supply you with a cleaner version.

Senator MOYNIHAN. If you will?

Professor JENCKS. Promptly.

Senator MOYNIHAN. And we thank you very much. And if you have to get back to the midwest, don't hesitate to leave that. We very much appreciate and are much perplexed by your report.

And now, our final academic witness of the morning, Prof. David Ellwood of the Kennedy School. We have your testimony, Dr. Ellwood, which will be put in the record as if read. Why don't you proceed to tell us in your words—

**STATEMENT OF PROF. DAVID ELLWOOD, JOHN F. KENNEDY  
SCHOOL, HARVARD UNIVERSITY, CAMBRIDGE, MA**

Professor ELLWOOD. I would like to depart from my testimony, sir. So, I would appreciate it if you would just put my statement in the record.

I would like to comment mostly on what I have heard today and my reactions to it.

Senator MOYNIHAN. Good, good.

Professor ELLWOOD. The testimony we have heard today has been at times inspiring and at times quite discouraging, but it seems very clear that there is some real concensus on a broad set of goals, the notion that we want to help people help themselves, that we want to give some people real responsibility and control of their lives, and at the same time, really give them a chance to achieve independence, both from poverty and from welfare. There is even concensus on the notion that we would like to make our welfare system signal our desire and our hopes and our general expectation that people will eventually find a way to make it on their own or with some modest help.

And I think that is very reassuring because we haven't always had agreement on goals; we often have disagreed as to whether we should be giving everybody a guaranteed something or other or not. This is a guaranteed chance, which is what we seem to all agree on.

Let me say a couple of things, though, before I turn to policy. Another thing we heard a lot about is dependency and the long-term poor and how people aren't doing these things for themselves. And let's not forget that there is a large number of people that are poor that are doing those things for themselves. When you look at the welfare system, there are an awful lot of people that use it for short-term and transitional assistance.

And the tendency so much in the current discussion is to ignore those people, to ignore the fact that only a quarter of the people that ever use AFDC stay on or use it 10 or more years and ignore the fact that half on an individual sort of welfare use it only 2 years, and to concentrate exclusively on the long-term group.

Now, I think it is important to worry and think about that long-term group, and they tend to be very expensive. They use a very disproportionate share of the resources, but our welfare system and our social system and so forth ought to be designed for and ought to remember the special needs and problems and so forth that face that short-term group and that group that really is trying to make it on their own. And they need to be rewarded and certainly not ignored.

So, let's keep that in mind as we think about strategies.

Now, let me talk briefly about the policies, some of which we have heard proposed today, remembering that our basic goal—that of helping people help themselves a guaranteed chance to make it—perhaps some mutual obligations.

The administration has a proposal which basically offers lots of waivers to States to use, as near as I can tell, virtually anything in the panoply of low income assistance, including such things as Pell grants or Medicaid. And the States somehow are magically going to

come up with a new system; and yet, the kinds of examples they offer us are in fact not State ideas as much as local community groups—low-income housing tenant organizations and so forth.

And so, the question of how it is given waiver authority is going to solve all those kinds of problems is hard to know. The stable issues have been done with a much more limited waiver authority, which I think could be expanded, having to do with maintaining a sort of a core structure toward social welfare systems, but giving States much more flexibility about how they are going to help people make the transition—what kinds of things they can do and so on.

And what I fail to see in that document and what troubles me a great deal is some vision about really what we are going to do with this grant, taking all this money, much of which is being spent on things that we can all agree probably aren't causing the problems. It is hard to see how giving Pell grants is a major cause of dependency in America. It is hard to see how Head Start is a cause of dependency. It is hard to see even how Medicaid is causing people to drop out and not work in large numbers.

It is that lack of a clear vision of what is going to be done. And I think that we are just not there yet, at a point where the States should have just total flexibility to do whatever they want. Let's give them a lot more flexibility; and I think that is very important and very useful, and I think a lot of exciting things have happened in the States. But I think we still need to maintain some national commitment and some core of support.

The second area that we have heard a lot about is work/welfare kinds of programs, and they broadly cover all kinds of things; but the idea is to convert our welfare system into something that is somewhat more transitional, that gives a clear signal that people are expected to work and we want to help people move along; I think that is just clearly a terrific idea, and I endorse everything that Dick Nathan said about those things—about being desirable, about moving along in the right direction, and making a real difference.

But I would point out that all the evaluations that Dick Nathan spoke of and that I have certainly been associated with and so forth have shown at best perhaps an average earnings gain of \$200 or \$300 or \$400 a year from such programs. Welfare reductions on the order of \$100 to \$200 per case per year are very good results. Now, that is not to say these are not good things to do; It is not to say it is not important; and it is not to say that the signal isn't vital. But it is to say that, too, is no panacea; that 5 years from now if we do come back and look at work/welfare, we won't say, gee, thank God for everything in 1987; it solved our welfare problems.

And why doesn't it fully solve our welfare problem? What more is going on? Well, some of it is this business that Government can't teach values and expectations and so on; but I think there are more fundamental things. One of the things that troubles me about the discussion we have heard this morning is the word "woman" almost never appeared. We are talking about single mothers, usually with very young children, here; and we talk about work outside the home, but there is a role of nurturing. And these people have

two roles that they need to fulfill. One is as a provider and one is as a nurturer. All families have those roles, and we believe they are very important.

What is a reasonable set of expectations for a single mother? What can we realistically expect, particularly for mothers with very young children? There is a tendency to look at working wives and say, gee, married mothers are all working; surely, we can expect all single mothers to work and support themselves. But in fact, married mothers are not all working. They are typically working part time. Only a quarter of married mothers work full year, full time; and ones with very young children work much less than that.

Part-time work doesn't get you anywhere in this system. Part-time work—you are insane to work part time in the current welfare system. You get virtually no more benefits. You are oftentimes thrown off the welfare system. In 26 States, just half-time work at a \$4 an hour job throws you off welfare, often throws you off Medicaid. There is no way you can do it.

Senator MOYNIHAN. Say that again. In 26 States?

Professor ELLWOOD. Half-time work at \$4 an hour is enough to get you off or very nearly off the welfare system, after 4 months, when the disregards go away.

Senator MOYNIHAN. And your children lose all their health insurance?

Professor ELLWOOD. In some of those States, they have a medically needy program, so you don't fully lose it; but the point is that even half-time work really gets you in trouble. It is just crazy to work half-time, but I think it is very reasonable and desirable to hope that single mothers might work half-time or two-thirds time. That is a realistic way of balancing the nurturing and the provider role and giving people some control of their lives.

Senator MOYNIHAN. So, that clearly calls for some change in arrangements?

Professor ELLWOOD. My point is that just nothing in the current debate so far, outside of the policies I just mentioned—the work/welfare and the waivers to States—really addresses this problem that there are these dual roles.

And I think there are ways to do that.

There is one other issue, and I am going to come back to that dual role in a moment. Work really doesn't pay very well for a lot of people. You know, a minimum wage job, even full year, full time, doesn't even bring you close to the poverty line, even for a family of three. And so long as that is true, even the notion that somehow welfare benefits are so high and that is why it doesn't make sense to work—another way to think about that is that when you are working at the minimum wage, you are not going to even come close to covering your family at the poverty line—the chances of your having medical protection are very small and indeed the working poor—the full-time working poor—are the group that is most left out of our current system. We do really very little for them.

But of course, the last thing we want to do for that group is to put them on welfare. We want to find some other way to supplement and help them and support their earnings.

So, what more can we do? What more can we do besides the flexibility and the work/welfare kinds of things that people are talking about? I think in the long run there are a couple of directions that we really need to consider, and I think this committee has been very good about considering some of them.

One is child support, and I think that child support has the potential—it has just enormous potential. I would endorse only partially what Dick Nathan said about the Wisconsin experiment and the guaranteed minimum. I agree that we don't know enough, but I think that we ought to do everything in our power to encourage States to experiment with it. Let me go back, as I may have been a little confusing.

First of all, child support can be a very real supplement to people's working. And unlike welfare, child support doesn't go away the more you work; it doesn't require you to go into a welfare office. It doesn't require anything of that sort. Child support is an additional supplement that is yours to keep, that is independent of the welfare system.

And so, in that sense, it is totally different from FAP. It is totally different from any kind of thing and usually it is a support that is coming from the absent parent. So, that is responsibility inducement.

Now, if you supplement a child support system, and I think the proposals that you have heard for the core of it are easy—you have got to have Social Security numbers on birth certificates; you have to have a more uniform system; you have got to have automatic wage withholding—if you supplement that with some sort of a minimum benefit, which as I see it is sort of unemployment insurance for children. When the father doesn't have a job and therefore can't provide any child support, at least the children have some core support. I think that is a good starting point.

And then, a woman can build from that, and work part-time or two-thirds time and perhaps get a real basis for something.

Finally, we have this work doesn't pay problem, and that, too, I think there are some pretty obvious ways to go ahead. The earned income tax credit, which was revised recently, was a terrific thing. The earned income tax credit is a very useful way to supplement earnings because it encourages work. It is like a pay raise for the poor, unlike a welfare system which takes money away the more you work.

And we need to justify family size, and I think we need to expand it even more to make work pay. Give the poor a pay raise. And finally, we do need to solve somehow the medical care problem. When it turns out that full-time working poor families—and there are a lot of them—when 30 to 40 percent of them have no medical protection at all, it is real hard to tell a story that, gee, you really ought to go out and work because, number one, you will be poor, and number two, you won't have medical protection, and number three, you won't be making it in a way that we would like to think about. So, just to sum up, and I have taken a little too long. I apologize.

Senator MOYNIHAN. Please continue.

Professor ELLWOOD. The initiatives that are before you today so far are good ones and they need to be considered and expanded and

used. But if you really care about giving people a genuine chance to make it, you have got to have some supplemental supports, some way so that you can take account and recognize the fact that they are single mothers. They are not unemployed teenage males or something else; we are talking about single mothers. They have children, and those children need nurturing, as well as financial provision. We need some way to take account of the fact that work doesn't pay very well, and has not paid very well for quite a long time. And if you do so, I would encourage you to think at the same time: Let's not lose the opportunity to expand on a child support system; at least, offer as many and as liberal waivers for experimentation within that as you can, and play with the earned income tax credit and perhaps adjust it for family size and the like. Thank you.

Senator MOYNIHAN. Yes. Listen, that was a marvelous summation, and this has been the direction in which so much of our testimony has gone.

Professor ELLWOOD. Yes, you are right. I congratulate your committee because it is kind of unusual in some respects in the sense that many people have talked exclusively about some of these.

Senator MOYNIHAN. We are facing a much larger problem than we are likely to be able to produce any program response for; we know that. And yet, we also have something that comes rarely, but it comes; that is when a healthy society looks up and says this is a problem. A lot of societies are not healthy enough to do that, and things go on for generations and generations; and they just don't get around to it. We are trying. The problem of densities is very real.

We had the mayor of Trenton, the capital of New Jersey, testifying the other day. He is a superb public person. New Jersey has the second highest per capita income in the country; it is in every sense a prosperous place. In its capital, Trenton, a quarter of the population is on AFDC; and 20 percent are over 65, and he has to find his revenue from the property taxes and he can't do it. And in that population, again it is very clear that the AFDC Program has evolved and is an equivalent of unemployment insurance for families that break up.

I think if we knew more about it, we would find the numbers. You know, a 35-year-old wife with three children and the family breaks up, and the wife goes into the system. It works exactly the way unemployment insurance works—income replacement. And in the largest number of instances, the recipients reestablish their lives, and all we need to do is send them their checks for a short time. We are in that world where the median child will live in a single parent family.

Professor ELLWOOD. Absolutely.

Senator MOYNIHAN. That is a new condition for our society, I think, isn't it?

Professor ELLWOOD. And that is often a very important fact that is often missed. The median child. We are not talking about the ghetto now. We are talking about the typical child in America who is going to spend some time in a single parent home. And in many ways, I think, if you work on things like child support, you will do far more for children and, in fact, you will do far more for poor



children if you can really find a way to provide some core or minimum child support for people than welfare reform ever will.

Senator MOYNIHAN. You would be disposed to let States set standards for those family courts?

Professor ELLWOOD. Absolutely. I think you have got to have standards. You have certainly got to give States the authority and encourage them. In fact, we usually have the authority to do mandatory and automatic wage withholding, so it is like being taxed. Remember, when you have half the kids in America, it is time to stop thinking that we can do—you know, maybe it is time to take a lesson from the tax system. If we imagine trying to collect taxes the way we collect child support payments, where you go to court and decide whether it is fair or not and how much you have contributed to society and what the judge thinks about your contributions, and then he is going to take a fixed dollar amount, and you pay \$100 a month for the rest of your life. Then, we have to take you to court again if we want to increase that amount. It is crazy. So, I think that there are things you can do.

I think you mentioned the notion of the Social Security number on birth certificates of both parents. I think that is just critical. You know, it is not hard to figure out who the father is; it is hard to find him, but it is easy to find him if you know his Social Security number.

Senator MOYNIHAN. Sure, unless you are in New York City. I was in an income maintenance center in Brooklyn a few weeks ago, and we got the Social Security number. Then, we said let's see if we can find the father. And they agreed that it could be done; it would take a couple months, but it could be done. And I said, well, couldn't Dorcas Hardy just do it on her own little computer? Well, she could, but we can't. They said they were too well equipped or something.

Professor ELLWOOD. Yes.

Senator MOYNIHAN. The point is we are talking about child support and moving in that direction. You mentioned the idea that we collect taxes in a more orderly way. We had a child support enforcement official from Massachusetts here the other day, and he said if the child support system were a tax system, 40 percent of the taxpayers would be avoiding the payment of taxes all together and half the remainder would be cheating. The child support system is not a very efficient device.

Professor ELLWOOD. And the children suffer. That is the other thing. And we also send a signal—and I think we have talked about signals today—we also send a signal that if you father a child, or if you are an absent parent of either sex, you have no responsibility. That is perfectly all right, and it can even be a sign of manhood. Well, that, I think, is a terrible, terrible mistake and a terrible signal to be sending to a precise group of people, as Professor Jencks alluded to.

There are many, many problems, and we need to offer as many signals about responsibility as we can.

Senator MOYNIHAN. We are very much in agreement. We are talking about citizenship here; and if we can make that our standard, we can't go all that wrong.

Professor Ellwood, for this and for so much else you have done in this field, we thank you very much, sir.

Professor ELLWOOD. Thank you very much, sir.

Senator MOYNIHAN. And now, we are going to have our last panel, a group of very willing and patient citizens who were unable to testify at the February 20, 1987 hearing because it took so long—partly due to the weather—and we were not able to hear Ginnie Nuta, who is the director of public affairs of Parents Without Partners; Mr. Jack Kammer, who is the executive director of the National Congress for Men; and Mr. David Levy, who is president of the National Council for Children's Rights. Can we ask Ms. Nuta, Mr. Kammer, and Mr. Levy to come forward?

And in our normal procedure, we will ask the persons to testify in the order of their listing; and so, we first turn to Ms. Nuta, and we have testimony from you right here.

We will follow our standard practice of hearing each of you, and then we will have questions. Ms. Nuta?

[The prepared written statement of Professor Ellwood follows:]

## TESTIMONY OF DAVID T. ELLWOOD

Thank you very much for giving me the opportunity to testify before you today. I am David T. Ellwood, Associate Professor of Public Policy at Harvard's John F. Kennedy School of Government.

There is much talk about long term dependence, and rightly so. But in your deliberations on welfare reform, I urge you to remember that welfare has a transitional side, too. The vast majority of those who ever use welfare do not stay on for a very long time. More than half of all those who ever use AFDC receive it in 4 years or less over their entire adult life. Only 1/4 receive it in 10 or more years. Long term dependency is the exception not the rule among those who ever use welfare. Whatever plan you adopt, please institute a system that will be sympathetic and supportive of the millions of families who use AFDC to overcome temporary hardship.

Still, the smaller group that use welfare for 10 years or more is worthy of particular attention. The people in this group are relatively easy to identify: they are mothers with young children, they are poorly educated women, they are women with little work experience. Though they represent only 1/4 of all those who ever use AFDC, this group actually collects over 60% of the benefits paid. Thus anything which can be done to improve the prospects of this long term group could have a very high fiscal payoff. These people are small in numbers and large in costs.

Conversely any program which fails to help the long term recipients cannot possibly save much welfare money. In this case our natural humanitarian desire to help those who seem to have the worst problems corresponds our goal of fiscal prudence.

There are now many proposals for reform designed to help welfare recipients move towards self-support. Virtually all of the proposals provide for expanded training, education, and job search. Most require some form of participation by mothers with children over 3 years old. Many even require work from at least a portion of those on AFDC. There is talk of a social contract between the welfare system and recipients, where both must meet certain responsibilities.

The long term recipient is also properly targeted for particular attention in many proposals. This targeting aspect is very important. Without targeting, administrators will naturally gravitate toward serving the easiest to employ. But these people often would move quickly off of welfare on their own. The only real progress will come when we can help the long term recipient become more self-supporting.

In general, I wholeheartedly endorse the training and targeting and social contracts. They are steps in the right direction of converting government aid into a more activist stance with the clear design of helping people make it on their own. Cost-benefit analyses of experimental programs have almost always shown that benefits exceed costs.

Still I am deeply troubled by much of the current rhetoric that gives the impression that these steps alone will go a long way toward solving the problems of long term welfare use and dependency. They will

not. These are modest and useful steps. But all of the careful evaluations of programs using randomized control groups have shown earnings gains of perhaps \$200 to \$700 annually. Employment rates rose by a few percentage points. Welfare costs fall by a few hundred dollars per recipient per year. These are desirable steps--they do not represent the end of welfare.

If the Congress is really serious about a long term solution which can realistically get people off of welfare, then you will have to wrestle with at least three fundamental problems:

- (1) The current system offers only two real choices--work all the time or be on welfare. Part time work which is perhaps the most viable and desirable option for many single mothers is simply not an rational choice for current welfare mothers.
- (2) Under the current system, full time work only makes sense if one can find a well paying job that offers medical protection and when day care costs are small.
- (3) There is little help or pressure to move off of the welfare system.

Only the third issue is addressed in most proposals.

All families must fulfill two roles: that of nurturing the children and providing for them financially. In a two parent family, those roles are shared. In a single parent family, both roles must usually be filled by one parent. If a single mother wants to provide fully for her family she must almost certainly work full-year full-time, and even then her family may be poor. What of the other role, that of nurturer and child raiser. Are all single mothers expected to work all the time?

Contrary to popular belief relatively few married mothers work that much, only about a quarter work all the time--and even fewer mothers of

young children work fully. Most working wives work part-time or part year. Many parents are understandably reluctant to be away from young children all day long. And the burdens of full time work and raising a family on one's own are great indeed, particularly for a young mother. Society is rightly ambivalent about what is a reasonable expectation for single mothers. Part time work is the norm for married mothers. It is not even an option for single mothers.

Consider an example taken from recent report of the House Ways and Means Committee using 1984 data. Suppose a single mother with two children on welfare was ready, willing, and able to take a job paying \$4 per hour--well above the minimum wage. On average she could have gotten \$5,800 annually in AFDC and food stamp benefits if she did not work. If she went to work half time, even if she had no child care expenses, her disposable income would on average rise by only \$1000.<sup>1</sup> In effect she's working for \$1 per hour. In 26 states, even though she was earning only half the poverty line, she would no longer be eligible for AFDC and in many cases would not therefore qualify for Medicaid benefits<sup>2</sup>. So she is still quite poor, she is often still on welfare. If she's off welfare, she may have no medical protection. It really does not make sense to work part time.

-----

<sup>1</sup>11 This example is taken from Background Material and Data Within the Jurisdiction of the Committee on Ways and Means, Tables 20 and 21, pp. 582-583. They represent a weighted average of all states. Figures assume the woman has been working for 4 months.

<sup>2</sup>11 Federal law requires that Medicaid be maintained for 9 months after earnings push a single mother off of welfare. In addition some states have a medically needy program offering benefits to single parent families with incomes above the AFDC benefit level.

But even full time work would not make sense in this case. If she worked full time at \$4 per hour, her income would rise only \$2,750 again assuming no day care and work expenses, making her effective wage just \$1.35 per hour. She would usually would not be eligible for Medicaid. If she had day care and transportation expenses her effective wage would be even less. Indeed the report estimated that in many states a woman working full time at \$4 per hour with day care and other work expenses would actually have less income than a woman who did not work at all. Generally full time work doesn't begin to pay well until a woman can earn \$6 or \$7 if she has day care and transportation expenses. And even then her family may be without medical protection.

So the real choice is between full time work or welfare. Part time work, where one tries to balance the nurturer and provider role never makes sense. And full time work only makes sense if you command a moderate wage and can get medical benefits. Not surprisingly women who do work tend to have better educations and older children and high wages. In 1984, over half of the women who did not work were high school dropouts. By contrast just 17% of those working fully were dropouts. More than half of those who worked fully had wages in excess of \$7 per hour. Only 12% work for \$4 or less. It should come as no surprise at all then that long term welfare recipients are those with young children, poor educations, and little work experience. For them there really is no viable alternative to welfare under the present system even if they can find low paying jobs.

And of course the welfare system itself, has until recently, offered very little training or support designed to help people get off

of welfare. A woman could conceivably stay on for 15 years or more and never get any attention. Nor were there any real pressures to get off of welfare other than the recipient's own feelings about being dependent and the unpleasant treatment that one often gets as a welfare recipient. Changing welfare by adding some training and education and obligations will help. But that alone will not solve the problem that single mothers have two roles and no other source of support. Training and social contracts will do little to raise the potential wage of many women. These programs do not solve the medical care problems.

Fortunately there are ways to fundamentally change the options available to single mothers. And I am happy to see that this sub-committee has given them serious emphasis in its hearings so far. Child support seems an obvious way to supplement the earnings of single mothers and take account of their dual roles and the responsibilities of both parents to provide support. An expanded and adjusted Earned Income Tax Credit (EITC) would effectively give low income families a wage increase. Better medical protection would make work more logical and practical. Let me touch only briefly on each.

You have already heard a great deal of testimony about the appalling state of our child support system. I believe that in the long run, child support reform can do far more for single mothers and their children than welfare reform ever will. Let me strongly endorse recent proposals that call for a far more uniform system where both parents' Social Security numbers appear on the birth certificate, where child support payments are usually based on a fairly uniform formula tied to income, where payments are collected automatically at the



employer like taxes, and where the government provides a kind of minimum child support insurance. If the father fails to pay some minimum level of support in a month, the government will still guarantee that single mothers get some minimum payment. That way mothers can count on some outside support no matter what. This is social insurance much like unemployment insurance. When the absent parent is unemployed, the child gets some income protection anyway. Several states are experimenting with this proposal already.

If the country is serious about helping people help themselves, we have got to make work pay better. The EITC does that. The Earned Income Tax Credit is a marvelous instrument for supplementing income. It gives low wage workers a wage increase. In direct contrast to welfare, the more one works, the more one gets. I think the EITC needs to be adjusted for family size and expanded as much as possible. It does not get the attention it deserves. I favor expansion of the EITC over more complicated wage subsidy systems which are likely to be extremely difficult to administer. But either policy makes work more attractive while it helps low income working families.

And we must do something about medical care protection. I cannot understand how we can expect people to leave welfare and work on their own if they risk medical and financial catastrophe by doing so. We must find a way to insure that every American is protected from major medical risk.

Currently we have a rare opportunity to rethink and reshape our social welfare system. The clear orientation toward helping people help themselves is long overdue. I hope that we will be able to do more than increase work-welfare programs. I hope we will be able to do more than preach about self-support. I hope that we take the time to understand the reasons people often are not self-supporting and put in place the supplements and supports that will genuinely make welfare independence possible.

**STATEMENT OF GINNIE NUTA, DIRECTOR OF PUBLIC AFFAIRS,  
PARENTS WITHOUT PARTNERS, SILVER SPRING, MD**

Ms. NUTA. Thank you. Thank you for allowing me to be here today. I am Ginnie Nuta.

Senator MOYNIHAN. Thank you for coming back.

Ms. NUTA. Thank you. I am Director of Public Affairs on the staff of the organization Parents Without Partners. We are a non-profit membership organization of 180,000 single parents nationwide. Our members are both male and female, both custodial and noncustodial parents, and they are separated, divorced, widowed, and never married.

We have been working for child support enforcement for several years. We worked on the 1984 amendments, and since then we have coordinated a network of grassroots child support organizations. About 2 years ago, we began using our toll-free phone lines as a child support hotline for parents. Although we never expected such numbers, we have since then counseled more than 2,900 parents from all 50 States and Puerto Rico and the Virgin Islands.

We have been forced to turn away three times as many. Our callers are usually women, although sometimes they were fathers, grandparents, or children. Their occupations ranged from those living on welfare to advantaged executives. Some were facing eviction or couldn't put food on the table; some even expressed thoughts of suicide. Some were working two, or even three, jobs. Even the more affluent parents were terribly concerned about paying for their children's college costs. 70 percent of them needed basic information about child support and referral to child support services. 30 percent had found such services on their own, but they were nevertheless having problems working with them.

Of this group, 27 percent could not get access to child support services or proper information; 41 percent had gotten in the door, but they were experiencing problems working with the agency, like poor communications, poor follow-up, or lost paperwork 20 percent were having problems obtaining wage liens. The remaining 12 percent experienced a variety of problems, many of them having to do with the judiciary; 6 percent of all our calls were from present welfare recipients.

Nearly all of them wanted to get off welfare but believed they needed child support to do it. They were seeking employment, but they knew they could not earn enough to afford to leave the welfare rolls without the income that should come to them from child support. Most of them were especially concerned with losing Medicaid.

Our welfare callers and, for that matter, those who had earlier been on welfare but now were off were alike in that no one had ever really talked to them about child support before: how the system works; what could be done in their special circumstances; what they themselves could do to help.

Most of them were surprised to learn that local authorities were supposed to do something on their cases at all. They had no idea what the status of their case was, and we found ourselves having to tell them all they were going to have to go back and get their case

files in order to find out what, if anything, had been done on their cases.

Of all our callers, those on welfare were clearly the least informed about child support. They had been treated like children, like dependents, as though they didn't even need to understand.

Another common theme was that many of the welfare callers had been actively discouraged from trying to pursue child support. One Minnesota woman who had been encouraged by her social worker to plan for self-sufficiency had tracked down her ex-husband and found his place of employment all by herself. Yet, when she contacted her child support office to give them this information and ask for a wage lien, they told her they had never heard of wage liens; and furthermore, they said: What do you care? You are getting a check. This is not an isolated incident; this is a story that we often hear.

Senator MOYNIHAN. This was in Wisconsin, did you say?

Ms. NUTA. Minnesota.

Senator MOYNIHAN. Minnesota. Oh.

Ms. NUTA. We have heard it from other States as well.

We heard from others struggling to avoid welfare who had been encouraged by child support workers and district attorneys to go on welfare; and that is as recently as this year. This made our callers extremely frustrated because all they wanted was their children's rightful support, not the taxpayers' money. Why would this happen? We don't know.

We can only surmise that some officials find that it is easier just to refer this woman to another office than to go ahead and do their jobs and collect the child support. Let me tell you that all our callers believe child support services should be viewed as a support for all families who need them, not just welfare families; and we believe this, too.

We know without a doubt that child support is a seamless endeavor; it can't be done right without being done regardless of welfare reciprocity. Families may come onto welfare because they need support; they may leave welfare because they get it. They may come back because it stops again. It is senseless to open and close and reopen cases, to shuffle file folders back and forth, and this is what happens in jurisdictions where services are diffused, are poorly funded and staffed.

We need one working system where appropriate action is taken at the beginning, not later, when thousands of dollars are at stake. So, we are concerned that concepts like the bottom line and cost effectiveness may overshadow and inhibit the development of what should be viewed as a public utility needed for the realities of today's society. We have begun to get the system into place. We are satisfied with the legal provisions of the 1984 amendments. We have seen a difference in our calls, especially over the last year.

We hear more and more about wage withholding and we hear less and less about denial of services; but it is not all in place yet. As you know, some States still have not passed all of the required legislation; and furthermore all the laws on the books—and this is something a lot of people in Washington don't understand—they don't work unless the people and procedures are in place for using the law.

Most of our callers can't afford attorneys at all. They do need the IV(d) child support agencies. The 1984 amendments provided certain funding levels for getting a system in place, and we do not want to see that funding violated, as would occur under some administration proposals.

We know States can't make plans without relying on predictable funding streams, and there really hasn't been enough time, especially considering that it was only late last year that the Federal office began making use of threats of funding penalties. We must point out that the child support problem has developed in a society that has only recently really caught on that single parent families are here and comprise one-fourth of the Nation's families with children. Catching up with this problem can't be done overnight. We ourselves are sometimes impatient with some of the States, but we know that there are political problems at the State level and it is not always easy to convince State legislators and officials that certain things are right to do. Neither do we want to see the incentive funding promised States for nonwelfare collections to disappear, as would occur under Administration proposals.

The 1984 amendments required States to provide services to non-welfare people and to take incentive funding away at this time is just plain wrong. States are counting on this money, and we are counting on these programs. Again, the bottom line is not what should be considered but rather supporting families so that they can remain self-sufficient.

We need a strong continued Federal presence that will hold States accountable for child support programs. Local control without built-in accountability, we think, may create good programs for some but not for all; and we are quite sure of this. In order to hold States accountable, we have to give them tools for accountability. They cannot be held accountable without automated and centralized statewide monitoring systems. We think such systems have the potential to correct about 42 percent of the problems we hear about, problems like delays, lost files, missed deadlines, no tax intercepts, poor followup on wage liens, poor or no parent locating, misdirected interstate cases, communications problems, and just an endless variety of bureaucratic obstacles that real people encounter out there.

Computer assistance should help States more efficiently perform certain kinds of collections activities, thereby saving staff time; and we are concerned about funding for these. We are also concerned about frozen funds for interstate studies which are sorely needed because interstate problems are 51 percent of all the calls we get.

We need better staffing at the local level. We are tired of hearing about case workers with caseloads of 1,000 or 2,000 or 3,000 cases to work on. We are tired of hearing about 2 month delays in opening a case in Tennessee or 6 months to send out URISA paperwork in Mississippi. It is vital that these offices be reasonably staffed to get the job done. We would like to see the Federal office provide guidelines and appropriate staff-to-caseload ratios to help States plan effectively.

As for training, although we understand some Federal officials believe otherwise, we do think there is a Federal role here. Why spend money, for example, on parent locator systems when, accord-

ing to those who call us, those systems are so rarely used? In our written testimony, we mention the case of a Maryland woman worried about going back on welfare because her ex-husband couldn't be located for enforcement. That case had been in the system for a year.

We referred her to a private company and found him in four hours. It turned out a State parent locator search had never been done for her. Why not? The systems are in place.

I find myself occasionally explaining to the local IV(d) administrators that they can do certain procedures, even the parent locaters. And this isn't my job to do, but no one else is doing it. So, we think proper training could correct about 20 percent of the problems we hear about, which is misinformation and denial of various services for the wrong reasons. Training is needed, and I cannot explain to my callers why their workers are so ignorant and poorly trained because I cannot understand it myself.

Finally, just let me mention our paternity calls. They were 7 percent of all the calls we received. As you know, once paternity and child support orders have been established, these cases resemble any other kind of child support case, with a similar reciprocity rate to the divorced. But as you heard earlier, there is a problem in getting paternity establishment done; and only about 18 percent of unmarried mothers do have child support awards.

Several paternity callers not on welfare who contacted us had been turned away because their agencies were not properly funded to do paternity. Sometimes, even though they were not turned away from applying, they were told they would have to pay for HLA blood testing or there were other problems in getting this done. In Oklahoma, we heard about a two-year waiting list just to obtain the blood test because of funding problems, both for welfare and nonwelfare recipients.

So, we suggest a specialized funding stream for paternity establishment so that this function is not competing with other types of child support work as often happens in a State. Resources are placed in an area where collections are more certain to ensure cost effectiveness. And as you know, paternity establishment often doesn't turn up collections at the beginning, but at the end it is definitely cost effective—at the end of that 18 years.

So, one of the reasons that officials used to excuse this lack of establishment of paternity is to blame the victim type of reasoning. And I would just like to say, finally—and you may not believe that this is appropriate—but of all unmarried callers, only two were not absolutely sure who the father was of the child. Others had delayed establishing paternity for a variety of reasons. Some didn't know their children were entitled to support; they didn't know what the procedures were for getting it.

Perhaps they had been unable to establish paternity because of statutes of limitation they thought had existed, or they had put off establishment because they had wrongly believed they could get along without support or they were afraid of the disgrace of going to court, or they were afraid of abuse. Those are all the reasons that they gave us.

Senator MOYNIHAN. That is a very nice statistical breakdown and a very real report on the people out there. You can see the individuals behind those numbers.

We will go on now, as is our practice, with Mr. Kammer, speaking for the National Congress for Men.

[The prepared written statement of Ms. Nuta follows.]

Ginnie Nuta

## Parents Without Partners

Parents Without Partners is a nonprofit membership organization of 180,000 single parents in the United States, Canada and Switzerland. Our members are both men and women, both custodial and noncustodial parents, and are separated, divorced, widowed and never-married.

For the past two years, as a public service, we have operated a child support hotline from our headquarters on a toll-free number. This hotline began, two years ago, principally to refer callers to local child support organizations who belong to a network of such organizations we coordinated, but publicity from several women's magazines and television shows caused calls to increase to such an extent that we found ourselves counseling a virtual flood of parents who needed help.

They needed basic information. We found ourselves explaining child support collection techniques, describing the IV-D child support program and their tools. They also, sometimes, needed information to help them overcome bureaucratic obstacles when their cases were "stuck" in the system, and then we found ourselves giving addresses of state and federal officials and helping with effective letter-writing techniques. All callers were mailed factsheets covering basic information, the 1984 Child Support Enforcement Amendments, and one factsheet from the federal government.

Just over a year ago, we began to keep records of the types of calls we received in an effort to track the kinds of complaints we heard. Since November 1, 1985 we have counseled 2,846 callers. We mailed approximately 1,300 information packets when no one was available to speak personally to callers. According to our phone service, approximately four times as many callers were turned away while our lines were busy.

The vast majority of our callers were women, although we did receive a few calls from men, sometimes custodial parents, sometimes noncustodial parents. A few calls came from grandparents or other relatives, a few calls from children. Ages of the parents ranged from 18 year-olds to older women whose children had left home. Occupations ranged from no job where the parent was supported by unemployment, welfare, disability benefits or relatives all the way to mid-management executives, family therapists and the like. We received at least one call from every state, and Puerto Rico and the Virgin Islands.

Some of our callers were in dire financial straits. It was common to hear about custodial parents who were working two and three jobs. Some were facing eviction or foreclosure, some were finding difficulties in feeding their children, some had serious health problems inhibiting their ability to work. Those parents with good jobs were concerned about collecting their court-ordered support so they could afford college for their children. In the middle came concerns about proper clothing and shoes, field trips for school, music lessons and orthodonture. All of them had a concern with seeing that justice should be done.

70 percent needed basic information about how to start a case or how to revive, successfully, an old one. We included in this group persons who should have received information from their local agencies but did not, when we could not tell exactly what had occurred in their encounters.

30 percent of callers had specific identifiable problems with local agencies or courts, and it is here that we believe we gathered valuable information on how the system really works, or doesn't work. The problems these people experienced should not have occurred if the system worked the way it is supposed to.

We kept records on this group, identified problem counties, and have forwarded this information to the federal Office of Child Support Enforcement. The greatest difficulty here was in determining whether the problem was in not accessing IV-D services, or whether the problem was with another component of the child support system, and we found in general an overwhelming diversity of systems and that most of our callers did not have the least idea about who had been working their cases. Many times, however, the problem simply was that they were receiving a poor quality of services.

#### CONTENT OF PROBLEM CALLS WITH AGENCIES OR COURTS

All child support enforcement in reality takes place at the local level, and it is at the local level where the breakdowns occur that we hear about from parents. All the laws on the books will do nothing for these families, without personnel to apply them, whether through administrative or judicial systems, and we see staffing as a primary problem with enforcement today.

Almost as important is training; as you will see below, poor or nonexistent training causes mishandling of cases which costs time and money for government and families alike.

A third overall theme in the problems we hear about -- and this should relate to other testimony you have heard today from officials within the system -- is a horizontal lack of coordination when services are diffused among different agencies, and, vertically, unclear and sometimes non-existent lines of authority between state and local officials. This tends to be aggravated by what might be called a tension between the executive and judicial branches of government. It has been our impression that when a professional child support enforcement official is given wide-ranging authority and strong backing from the governor's office that jurisdictional confusion is more likely to be cleared up and that lines of authority can be strengthened.

In addition, we have found that it is very difficult for these problems to be cleared up without statewide computerized systems making it possible for caseloads to be tracked, problem areas identified, and for simpler techniques to be utilized automatically. Years ago we asked for statewide clearinghouses for all child support cases; the need is no less important today, and it is more important if we are going to hold the state agencies accountable.

#### ACCESS TO SERVICES

There are still states where there is no staff to handle non-AFDC cases, such as certain counties in certain states where parents who ask for services are told to go to the courthouse, on their own, to fill out papers. These parents have no idea what the appropriate course of action should be to increase their chances, and are often left with an unsuccessful result, such as a contempt of court hearing where nothing happens when wage attachment would have easily worked. In some locales, there are no attorneys or caseworkers representing welfare or non-welfare clients in domestic



relations hearings. In some areas, staff dollars are believed to be better spent on other functions because officials believe their judicial systems will function fairly without an advocate for the client.

Publicity about child support services is poor. The vast majority of the 70 percent of our callers for general information were not aware that child support IV-D services existed. Since we were usually the last call the parent made, not the first, it was often the case that the parent had made some general inquiries in the community without learning that IV-D services existed.

But of our callers, who had contacted child support or welfare agencies, where we could pinpoint a specific agency problem, 27 percent experienced "access" problems. They include:

**Delays.** Even in states where services are provided, there can be long delays in processing because these offices are understaffed. About 3 percent of agency problem calls were from parents experiencing problems in making an initial application for this reason.

**Denial of services for non-welfare or working parents.** All the way through 1986, parents were still being told in some locales that services were not available for parents not on welfare. Sometimes this occurred because of ignorant child support personnel who should have known better. Sometimes this was caused by front-desk intake personnel in welfare or court offices who had not been properly trained or who did not work for the child support agency but had been told nothing of their functions.

9 percent were denied services. 5 percent of these calls were from parents denied overall services because they were not on welfare; 1 percent in addition were from parents denied a tax intercept because they were not on welfare. 3 percent were from parents denied services, including tax intercepts, because they were working. One caller, from Queens Co., NY, had been told she dressed too well to get services; she was dressed "well" because she was on her way to work.

**Poor or wrong information.** 13 percent encountered problems in receiving complete and correct information about enforcement. Workers are sometimes very poorly trained or misinformed. 3 percent of these calls resulted from situations where workers told parents that tax intercepts did not exist. 3 percent were from parents who were simply not told of IV-D services when they asked or more commonly, tax intercepts, when they contacted agencies. The most common complaint concerning not being told of services had to do with parent locator services; 7 percent were never told of such services even though they asked or clearly could have benefitted from them. The Morgan Co., IL, district attorneys' office told one woman "tax intercepts do not exist;" a Lake Co., OH, worker knew nothing of wage attachments in 1986 and was surprised when the parent showed him a section of the federally-published handbook on child support.

**Cost-recovery fees.** 2 percent of callers were concerned about "cost recovery" fees being charged in addition to application fees for non-AFDC recipients. Such fees, because of their open-ended nature, discourage some non-AFDC parents from applying; for example North Carolina, Florida, and New York. This type of fee is allowed under federal law, although states are encouraged to seek recovery from the absent parent. In North Carolina, however, parents are asked to sign forms promising that they are liable should no recovery be made; in North Carolina, the fees are \$45 an hour for legal services, \$15 per

hour for administrative services. In New York, fees are charged for legal and investigative field work; legal work means anytime an attorney is needed for court representation and would usually include paternity cases. Fees vary depending on the reimbursement for attorneys used, and can be as high as \$100 per hour. In NY, such fees are collected from the recipient at the rate of 25% of the child support collected; although, several clients have believed they would be liable regardless of whether a collection is made.

In Texas, the costs of blood testing for a paternity case are sometimes charged to the parent, a disincentive to opening a case.

The parents who call us are clearly fearful of these fees, especially, we think, because of their open-ended nature. We have never once heard a complaint about a one-time only application fee.

#### **PROBLEMS WORKING WITH IV-D AGENCIES**

41 percent of our "problem" calls fall into the category of persons who have successfully applied for services, only then to encounter a variety of problems in dealing with the agencies. We have separated wage withholding problems from this group to be discussed later.

**Lost papers.** 3 percent had encountered years of delay and inaction because agencies had lost vital paperwork and sometimes computer records. The most egregious example is a PA woman who was seeking a paternity hearing. The father had stipulated to paternity originally in Claremont Co., OH, but there was no follow-up. When she moved to Pennsylvania, Bucks Co. submitted URESA papers three times to Claremont Co. seeking action. Claremont Co. lost paperwork for all actions.

**Communications problems.** 8 percent encountered highly frustrating communications problems in seeing to have their cases enforced. Many counties do not permit telephone calls to the child support offices; then they do not answer letters. Sometimes, they refuse to identify personnel. Franklin Co., OH, told one woman to leave them alone and stop calling, although she had called only twice in three months. She was a welfare recipient who wanted to get off. A Missouri woman ended up lodging a complaint with the state after Jackson Co. would give her no information after scores of phone calls and letters; the state ended up taking over the case. A Los Angeles Co., CA, worker told a woman that every time she called, her case went to the bottom of the pile.

Another type of problem is in interstate cases when the parent can get no information from the responding state because they will speak only to a caseworker. Yet, typically, caseworkers cannot or refuse to make phone calls to relay important information. One Alabama woman tried to give important information to Florida about her ex, who was shortly to come to court. The FL county personnel refused to speak to her. Her caseworker refused to call. Her district attorney tried to call but they refused to speak to him.

**Counties refusing certain enforcement actions.** 9 percent encountered county officials who chose not to pursue certain enforcement activities (other than wage liens, which we cover later). Most common was counties where officials refused to use contempt of court as a tool, although in all these cases it was the only useful tool left to the parent. In Trumbull Co., OH, there appears to be a policy that no support orders will be enforced

against the unemployed; one woman said that her ex-husband was told he could sign a paper that would release him from an obligation to pay until he was employed. (He did not, believing that he owed the money.) Another woman, whose ex-husband had recently found a job, was told that a wage lien would not be pursued until he himself informed them of his employment. These decisions seem to be made without reference to the children's need, without reference to information that some of the obligors were working under the table, or to unemployment benefits.

We find failure to use contempt of court actions to be of concern; at least 8 percent of our calls were about absent parents who were self-employed or working under the table, where wage liens and tax intercepts are not going to work. The most common occupations were truck drivers and construction workers in these cases, although entrepreneurs and accountants were also a problem. We suspect that many more of the obligors were also self-employed, but the callers simply had no idea of what he was now doing.

Some officials refused to pursue back arrearages in general. Some refused to use the tax intercept because he had paid a small amount on a large arrearage or because there was a contempt action. Some refused to pursue the self-employed. Some refused to do contempt actions at all, because they only did wage withholdings. One MS county refused enforcement because the obligor was "making an effort" even though the parent had received nothing for one year. Some frankly said that welfare recipients came first, and in Alabama one woman was told that she would have to wait since divorced people came before separated people, and she was separated.

**Failure to bring in to court.** 5 percent of callers had situations where clearly the obligor needed to be brought to court for one of several reasons, and where the obligor's address was well-known. Sometimes, obligors failed to appear for court; nevertheless, the jurisdiction took no action.

**Service of process.** An additional 3 percent complained of failures to receive proper service of process, although in these cases the address information was good. In some of these cases, the parent had a home address but not a work address, or a work address but not a home address, but local authorities refused service without both.

**Misdirected or lost checks.** 2 percent of callers knew that they should have been receiving checks through their agencies, and that money had been paid or paychecks garnished. Nevertheless, their checks had been lost and authorities were not following up.

**Failure to locate.** 6 percent of callers had opened cases with IV-D agencies, but their cases had stopped because the agency could not locate the obligor. In at least half of these cases, the caller was quite sure that the agency should have been able to locate the obligor and perform service of process. In some cases, she herself had successfully mailed letters to him, or the children had visited at the address.

**Application filed, never heard from again.** We have no way of knowing what went wrong in these cases, but in 7 percent of calls the parents had opened cases, giving complete information, and never heard another word.

**WAGE WITHHOLDING PROBLEMS**

As the primary tool of the new child support laws, we began to hear more regularly about the use of wage withholding in the second year of calls. At the same time, we began to hear about more problems in obtaining or keeping wage withholding going. 20 percent of callers had some problem with wage withholding.

**No withholding action.** 5 percent simply could not get their agencies to take action for a number of reasons. Some had never been told about withholding; although their ex-husbands were employed nearby and were in arrears, their local agencies did not suggest it. One North Dakota office told a parent it would take too much of its time, although he was working locally. One Arizona official told a woman on an interstate case that they would not pursue it, although they did know where he worked, because "it seemed like too much to pay." The official also refused to tell her where the absent parent worked. Some were situations where the child support agency knew that he was working and where but would take no action. An official in Trumbull Co., OH, told one woman, who had just informed him of where her ex-husband's new job was, that they could do nothing until the ex-husband himself contacted the agency with information about his new job.

**Federal checks.** 3 percent had ex-husbands or absent parents who were employed by some branch of the federal government or who were receiving some type of check from the federal government that can be garnished. Yet these parents were either not told that such checks are subject to garnishment, or were told that they were not subject to garnishment. Some agencies had filed URESA cases in situations where a direct garnishment would have been a better choice of actions.

**National corporations.** An additional 1 percent of callers had obligors who were employed by large national corporations where service on a registered agent could have been attempted, yet workers continued to file cumbersome URESA cases.

**Employer compliance.** 2 percent had received wage withholding orders that had been served on employers, but the employers were not complying. The agencies in most of these cases would not follow up to find out what the problem was.

**Evasive action.** 3 percent had situations where the employer lied about the fact of employment, where the employer was a relative, where he regularly quit jobs but no other action was taken.

**Poor followup.** 3 percent of callers had situations where wage withholding actions were in the pipeline but either the originating state or the responding state (in an interstate case) weren't following up to find out what was happening with them. Some, also, were experiencing unusual delays.

**Miscellaneous problems.** The remaining 3 percent experienced a potpourri of problems, such as workers who did not know that wage withholding existed, agencies that believed they could not withhold from unemployment or workman's compensation benefits, or who refused to include arrearages in withholding orders, or who refused to carry out any parent locator functions that might have resulted in identifying an employer. Sometimes, withholding was refused because the absent parent had paid some amount toward the arrearage.

**MISCELLANEOUS PROBLEMS**

The remaining 12 percent of problem calls covered a wide variety of miscellaneous problems.

- . NY refused to extradite a doctor who owed \$90,000 in arrears although Georgia had requested it. One ex-husband was in the FBI's Witness Protection Program and the mother could not get information on his whereabouts.
- . Mishaps: wrong phone numbers continually given out in Virginia; missed deadlines for tax intercepts; a successful tax intercept that was returned because the obligor's arrearage was not large enough for the year intercepted, although it was thousands greater in the following year when the interception was made.
- . Judicial decisions: radically lowered arrearages in interstate cases; refusal to order any payments even though the arrearages were in the thousands of dollars. One New Jersey judge failed to appear for court on a snowy day, and the parent's case was never re-scheduled. One county prosecutor was barred from representing a parent because earlier, in private practice, he had represented the husband; she never received representation at all or a court hearing. An Indiana woman could not get a non-support hearing scheduled in the county where the father resided, and believed it was because he was the prosecuting attorney there.
- . Agency problems, possibly: ongoing child support kept to pay a state back for welfare payments; \$50 disregards not distributed or lost when the obligor's payments covered more than one month; refusal to pursue an award for daycare expenses that had been purposely separated from a child support award by the same agency; refusal to supply services to a woman because the obligor lived in the same town.

**WELFARE CALLS**

6 percent of all our calls concerned welfare recipients, although approximately an equal number came from former welfare recipients.

A common theme was that the overwhelming majority of welfare callers were trying to collect child support so they could get off welfare. The second common theme was that no one was talking to them about their child support cases; they were much less knowledgeable about the IV-D agency's role in pursuing child support for them and many did not know it was supposed to be pursued. Some of them had asked questions of their social workers, only to be told "What do you care? You're getting a check." One Minnesota woman had been working with her social worker on a plan for self-sufficiency, and had successfully located her ex-husband and his place of employment in another state. Yet when she contacted her child support agency, she was given the "What do you care" statement, and was told that his wages could not be attached. Her social worker suggested she check with us, although there is nothing we can provide other than information.

For 86 percent of these callers, we found ourselves giving very basic information about child support and what would be needed to successfully establish an award or collect support.

The remaining 14 percent had further problems after contacting their child support workers. 3 percent wanted to locate him but had been given no information; some did not have social security numbers but had not been told the methods by which they sometimes can be obtained.

4 percent did have good address information, and even employment information; yet no action was taken against him. One Michigan woman knew that her ex-husband had not moved out-of-state although he told the welfare department he did at the time he stopped payments; they refused to follow up although at the time of her call he was 15 months behind.

4 percent wanted to know about the \$50 disregard. One Texas woman had been told by San Patricio Co., TX, that the disregard didn't exist. Another NY woman was quite upset because while NY had collected about \$8000 in arrears, she had received no disregard, and subsequently had given up custody of her children for financial reasons. One Clark Co., OH, woman had been on welfare for 8 months with no action taken on her case; she received no disregard, yet had \$50 subtracted from her food stamps. Erratic payments from the father in other cases meant that the mothers received only one \$50 disregard in the months payment was received, even though several months of payments were lumped together. One of these mothers was in dire straits because her child was permanently handicapped, and the disregard was the only money she had to pay for special therapy.

The remainder had such problems as: Oregon would not tell a welfare recipient the results of an enforcement hearing in Arizona; Kansas told one woman they simply wouldn't try for a support order; a Wisconsin woman had been refused child support services because she had earlier been found guilty of welfare fraud, although she was very sorry and said she had been forced to do it to feed her children; a Louisiana woman was told she would lose her welfare checks if she could not get her children's father to go to court, even though she had given the agency complete address information on him.

#### PATERNITY CASES

A common theme among these callers, who comprised seven percent of all calls, was that they were not quite sure that their children were entitled to child support. Another major difficulty for this group was in not having social security numbers for missing fathers. 93 percent of this group needed basic information and referral.

Of the remainder, 3 percent had been refused paternity establishment services by their IV-D agencies. Collier Co., FL, refused such services because of cost. In TX, one woman waited until costs were approved in Austin, another could not proceed because she was asked to pay for blood-testing, which she could not afford. Jackson Co., MS, told one woman that their staff was too small and furthermore that they were backlogged on "married people." A NJ woman was sent to legal aid for paternity establishment even though she had just spent several months on welfare, where she should have been receiving such services.

Several callers had locate problems, some caused by the agency, but more often they were normal problems that were not going to be easy to deal with because of the lack of social security numbers. Some had problems with "disappearing" cases common to other types of child support cases.

One woman was terribly concerned because her OH child support agency had obtained a finding of paternity for her; yet she received a bill from the father's attorney for half his fee. No one would speak to her about it at her local agency. Another woman was not able to obtain a court hearing on non-support, because, she believed, the father was a prosecuting attorney in that county.

#### INTERSTATE CASES

51 percent of all calls concerned interstate cases. While the national percentage of interstate cases hovers around the 20 percent mark, they were over-represented in our calls, probably because our callers by definition have a child support problem, and interstate cases are usually the most difficult.

87 percent either needed basic information, had started a case where location or a URESA procedure was in the pipeline, or they had begun a case but did not know if the agency was conducting a parent locator search. We commonly suggested to these parents that they contact the agency again to ascertain just what type of locating search was being done, as it was usual that none of our callers had been told what exactly would be done.

It was difficult to isolate instances where ineffective locate methods were being used because the parents did not have any idea what should be done. For example, one Montgomery Co., Maryland woman had started a case well over a year ago, supplying the last known address for the father who was in California. Her agency sent a URESA request to that county, which sent a letter to the address she supplied. When he was not at that address, the county, Los Angeles Co., returned the case to Maryland. The case was closed.

When the woman contacted us, we asked the state what kind of locate action had been taken. A federal search had been done a year earlier, but no California search. At that point, we referred the woman to a private debt collection company in California. They found him in four hours.

Our California network double-checked on the previous California work, discovering that neither Maryland or California had requested a state parent locate search. It took several calls and letters to get the record straight. We believe that this kind of problem occurred or was going to occur for many of the interstate cases we heard about.

Another kind of problem, which we would not categorize as an agency problem, were absent parents who were probably not going to be located or, even if found, were going to be difficult to collect from. We received at least one call every week from a parent where the absent parent had never earned a living in any occupation other than drug-dealing. A significant number were employed in occupations such as truck-driver, construction worker, and we often heard that the absent parents were supported by girlfriends or relatives. While in an in-state case such a person could be found, and could be served with contempt papers, in an interstate case location would be very difficult for a person who is not paying taxes or who does not have a vehicle registered in his name.

We did not include location as a "problem" call, however, until we knew fairly specifically what had occurred.

#### PROBLEMS WITH AGENCIES OR COURTS

13 percent encountered some type of agency or court problem.

**Access problems.** Access problems were less common, only 18 percent overall experiencing them. The same percentages experienced denial of services or wrong or withheld information; respectively 3 and 13 percent. The primary problem with withheld information concerned parent locator services.

Problems working with agencies. A higher percentage of the problem calls concerned problems working with agencies, 43 percent. A greater proportion experienced communications problems, as expected, because it was so much more difficult to deal with an agency or court in a distant state, at 10 percent. This was true also for such categories as "failure to bring to court" and "application filed, never hears from again," at 8 percent and 8 percent.

In situations where the parent was sure of good address information, failure to locate was also more common for this group, at 10 percent. We suspect that what occurred here is that agencies failed to make locate requests of second states, failed to make federal parent locator requests when state information failed (as recently as last summer some officials did not know they could access the federal parent locator system without exhausting the state system), or used URESA requests to the second state without considering the age of the address information.

Although there appears to be a smaller percentage of those having problems with arbitrary choice of tools, this is probably because a true "choice" was not arrived at when URESA methods are used rather than an attempt to collect information on employment for wage withholding purposes.

Wage withholding problems. The proportion of problems with withholding was also slightly greater for interstate calls, at 23 percent. A slightly higher proportion of problems were found for failure to pursue this technique, and for those where the obligor was employed by the federal government.



#### RECOMMENDATIONS

We are often asked if, through listening to our callers, we think the 1984 Amendments have made a difference in child support collections. Our response has been that it is still too soon to make a judgment. Certainly many of our callers have not yet been able to benefit, and a major reason for this is that not all the states have their legislation in place, which affects not only their own citizens but interstate cases coming from other states. The second major reason is that not all the states have implemented their plans for working the cases, so that staffing and handline procedures are not all they should be.

Nevertheless, we have seen a difference. Few callers within the last six months had difficulty with access to services, except for information about parent locator services. New regulations coming from the federal office regarding interstate cases will help with this problem, since requirements will be more strict regarding parent locator requests.

More callers in the latter part of 1986 told us of wage withholding procedures used on their behalf, and their calls concerned what had happened when that method failed. Our impression is that more jurisdictions are using wage withholding as a first step, but there is poor followup when it fails.

More callers in the past few months knew about IV-D child support services in general, although their knowledge was incomplete about what types of activities could be carried out by the IV-D offices.

If anyone knows the importance of continuing with the progress that has been made in child support enforcement, we know it. Numbers of our callers had given up years ago, until the new techniques and until opening up services to non-AFDC recipients made it possible for collections to be made. We are satisfied with the provisions of those amendments, but we are not yet satisfied with their implementation in the states. Much more needs to be done in terms of complying legislation, but more important, in implementing state plans for actual work on child support cases.

**Need for continued funding under the 1984 provisions.** For this reason, we believe it is vital to continue matching funding as provided for under the 1984 amendments. States have not had enough time to put a complete program into place; most are operating under plans made under the funding schedule already provided for in the law. To speed up a reduction in the federal/state match at this time would not only be punitive to the states, but would have the effect of reducing services to the parents who need them.

**Need for a strong federal presence.** We believe a strong federal presence is imperative if progress is to be made. Again, the work is not all done. While this may be a failure of will on the part of some state officials, we believe it is more likely a result of a lack of technical knowledge for program planning and sometimes a result of political controversies within the state. We know of at least one state where complying legislation was nearly defeated by political opponents; it was when the state's AFDC funding was threatened that proponents finally coalesced and were able to pass the law. The threat of losing welfare dollars is an important one in closing the gaps in the system.

**Need for stronger auditing and penalty procedures for accountability.** No penalties have ever been assessed against states for poor compliance until several letters went out late last year concerning pre-1984 requirements. We can assure you that these letters did cause a degree of consternation, and perhaps proved to the states that the federal Office of Child Support Enforcement finally means business. We were glad to see these letters, and hope to see stronger monitoring continue. It is our understanding that there are

plans in the future for program audits to examine compliance with the 1984 amendments; we think this type of audit is also most important.

**Need to continue incentive payments for non-AFDC collections.** We would like to remind you that child support enforcement is a seamless endeavor for most single parent families. While only 6 percent of our calls were from welfare recipients, at least an equal number were former recipients, and a number of other callers were parents concerned that they might be forced onto welfare if they could not collect support. We know that prompt, quality services in the beginning--when the family is first separated or formed--is more likely to assure support for the rest of the child's minority years and thus to make reliance on welfare less likely. In order to make child support a major component of welfare reform, we think it is necessary to view it as a service for all families.

This belief was of utmost importance in passing the several provisions of the 1984 amendments. To back up the federal requirement that states provide services to non-welfare parents in the hopes of preventing welfare, incentive funding was provided for non-welfare collections. To remove that funding now, when change has only just begun, punishes states that have planned for expansion of services and inhibits those that have not caught up.

**Need for technical assistance to the states.** Some states have experienced problems in organizing better child support enforcement systems, and others--in trying to make decisions on how best to focus resources--still need help on systems analysis. In general, as we know from the misinformation given clients and the sometimes mishandled cases, there is a need for much better worker training. We believe that it is still the proper role of the federal government to do its utmost to assure assistance to the states so these activities can continue.

Better training and organization should, we believe, make a difference not only for non-AFDC families but also for those on welfare. As we noted earlier, we have found that few of our welfare callers had ever been talked to about child support, and some were actively discouraged from working on their cases. We have also talked to some mothers -- not on welfare -- who had been urged to go on welfare by child support personnel. Our callers are perplexed when this happens--and angry. They want to support themselves and do not want to be a burden on the taxpayer. Our only conclusion as to why such a thing would be suggested is that getting these parents off the hands of the IV-D office and into the hands of the welfare office was seen as an easier thing to do rather than simply working a child support case.

**Need for automated, centralized state-wide clearinghouses.** When we worked on the 1984 amendments, we asked for a requirement that states establish centralized clearinghouses in order to track all child support cases. We did not get this requirement, although there was generous funding for development of statewide computerized systems, systems which partially fulfill and are vital to fulfillment of this need. The need is still there; the funding may be in danger. We would like to reiterate that automation is vital to a clearinghouse concept, and such clearinghouses are in the best interests of parents. And we would like to point out how difficult it is to make the states accountable for child support activities in their states if they cannot monitor and track activities.

**Need for better staffing.** Once states have been able to automate and thus make some collection procedures more efficient, like tax intercepts and wage withholding, attention should be paid to adequate staffing at the local level. While it is our understanding that

some states believe they are adequately, but inefficiently staffed, good computer systems can correct many efficiency problems. But other states are not adequately staffed at all, and we can point to several states where parents cannot even get in the door to make an application for several months. Only last week we heard from a parent who, when asking why it would take several weeks before she could be seen, was told by an understandably harassed worker, "Haven't you read the papers? Don't you know about the funding cutbacks?" We would like to suggest that the federal office think about the possibility of issuing staff/caseload ratio guidelines. Such guidelines, it seems to us, might be of assistance to IV-D state administrators who must continually seek a share of funding in the state budget process and who need to justify their budget requests.

#### SUMMARY OF CALLS

Total since Nov. 1, 1985: 2,842

Needing basic information on starting or reviving old case: 70%  
 Identifiable problems with child support agencies: 30%  
 Paternities: 7%  
 Welfare callers: 6%

#### TYPES OF AGENCY PROBLEMS:

Access problems: 27%  
     Delays in taking applications: 3%  
     Denial of services: 9%  
     Wrong or withheld information: 13%  
     Cost recovery fees: 2%  
 Service problems: 41%  
     Lost paperwork: 3%  
     Communications problems: 8%  
     Arbitrary choice of enforcement tools: 9%  
     Failure to "bring in": 5%  
     Service of process: 3%  
     Failure to locate: 6%  
     Never hears from agency: 7%  
 Wage withholding problems: 20%  
     Agency wouldn't pursue withholding: 5%  
     Wouldn't withhold for federal employees: 3%  
     Used URESA instead of withholding: 1%  
     Employer didn't comply: 2%  
     No followup on cases: 3%  
     Absent parent moves, quits, employer lies or  
     relatives employ: 3%  
     Miscellaneous: 3%  
 Miscellaneous: 12%

Interstate Calls: 51%

Needing basic information on starting or reviving case, some location information: 87%  
 Specific agency or court problems: 13%

TYPES OF AGENCY PROBLEMS:

Access problems: 18%

Delay: 2%

Denial: 3%

Wrong or withheld information: 13%

Cost recovery fees: --

Service problems: 43%

Lost papers: 2%

Communications problems: 10%

Arbitrary choice of enforcement tools: 7%

Failure to bring to court: 8%

Service of process: 3%

Failure to locate: 10%

Never hears from agency: 8%

Wage withholding problems: 23%

Agency wouldn't pursue withholding: 7%

Wouldn't withhold for federal employees: 4%

Used URESA instead of withholding: 2%

Employer didn't comply: 3%

No followup: 3%

Absent parent moves, quits, employer lies or relatives employ: 3%

Miscellaneous: 1%

Miscellaneous: 11%

**STATEMENT OF JACK KAMMER, EXECUTIVE DIRECTOR, THE  
NATIONAL CONGRESS FOR MEN, WASHINGTON, DC**

Mr. KAMMER. Good afternoon, Mr. Chairman. It is an honor to be with you today. I trust my comments will help us find a solution to a national tragedy. I am especially happy to be speaking before you, Mr. Chairman, because I know you appreciate new ideas and new perspectives.

We are trying here today to discover the most efficient means for assuring that our Nation's youth are supported financially. There has been talk of laws and computer systems and reciprocal agreements and administrative procedures and staffing increases—all designed to do one thing, to force a person to do what he does not otherwise feel motivated to do.

The National Congress for Men would urge the subcommittee to stop for a moment, to close its eyes—in a figurative sense—to clear its mind, and to reopen its eyes with a fresh outlook. I would like to discuss an entirely new and different way to view and approach the problem.

The National Congress for Men would urge that one set of basic questions be asked, and we would urge that any answers proposed for these questions be scrutinized for sexist assumptions about fathers in particular and men in general.

Indeed, the very problem of nonpayment of child support is often mistakenly discussed in sexist terms, as if men are inherently inferior to women in love and nurturing, in sharing and giving. The basic questions would be these: Why do men get married in the first place? Why do men assume the heavy financial burdens marriage brings? Does it seem likely that men will cooperate in fulfilling their financial obligations when the reasons they assumed those obligations have been taken away? What happens to a man between the time he says "I do" and the time he says "I won't"?

The National Congress for Men would suggest that the primary reason men get married is to achieve precisely what divorce invariably takes from them: feelings of love, of family, of stability, of belonging. One of the sexist biases about which I urged caution a moment ago is that men care only about money. That bias is manifest in the claim that men's standard of living goes up after divorced, while women's and children's goes down. This claim is based on misrepresentative statistics; but even if it were true, we should recognize that only in a narrow sense does money make for a high standard of living.

We urge you to keep in mind that when men marry, they do it to achieve a higher standard of loving. And even if we refuse to consider any values except those that can be expressed in dollars, cents, and percentages, please consider this: I am not married. I am not divorced. I am simply a man who cares about what is happening to the social fabric of his country, a man who wants his chances for meaningful fatherhood protected. I would like to point out that no financial counselor has ever suggested that I should get married, raise a family, then have my wife divorce me and take my children away, so that my standard of living will rise. The point is so simple that we miss it entirely.

Men voluntarily lower their standard of living in order to achieve the love and affection, the feeling of purpose and connectedness that only a family can provide. For that, men are willing to pay. For that, men say "I do."

In the absence of that, we need to have hearings like these. And we wonder out loud why and how men can be so unloving, and we fall into our sexist assumptions about men in general and fathers in particular. Let us recognize that cooperation is always better than confrontation. Let us embrace the principle that the most effective device for getting fathers to pay child support is fatherhood itself.

If a father does not support his children, let us not examine the father and what we can do to him; let us examine his fatherhood and what we, as a society, did to it at the time of his divorce and what we do to it every day that we regard fatherhood as an inferior brand of parenthood.

I would urge that we remember the messages we have been sending to men since the dawn of the industrial revolution: You are more important in the factory, we tell them, than in the family. If we can elevate fatherhood to the lofty position motherhood so rightly holds, men will be less likely to throw it away. Women who truly love their children will be less likely to interfere with the father/child relationship; and judges in divorce proceedings will be less likely to throw the father out with the wedding vows.

And if I may continue into the problem of unwed and teenage pregnancy just briefly, I would suggest that enhancing our national esteem for fatherhood would encourage young men to guard their procreative capacity as they would guard the keys to a treasure chest. As things are today, however, too many young men and too many young women regard fatherhood as a biological curiosity with economic ramifications but relatively little intrinsic value.

How sad it is, Mr. Chairman, that paternity is regarded as a quasi-criminal offense. How sad it is that we make fathers want to run and hide. How sad it is that if we can prove a man guilty of fatherhood, we will saddle him with the burdens of parenthood and grant him none of the joys and dignities. If ever there was a case that clearly demonstrates this society's regard for fatherhood it is the one making news today in Tennessee. An unmarried man who refuses to have his parenthood discarded, a young man who is insisting on being a father, regardless of the relationship he has with the mother, is being told that he cannot demand a test for paternity under Tennessee law; only the mother can choose to prove paternity. Fatherhood is not something for a man to insist upon. Fatherhood is something for a man to deny and to endure, if his denials fail.

The National Congress for Men, Mr. Chairman, has a bumper sticker that Time magazine called militant. It says simply: "My Children Have a Father." It was designed as a message to be proclaimed as well by women as by men, as well by mothers as by fathers. It is the kind of message America needs to see and hear more often.

In addition to the program my friend, David Levy, will outline for you, Mr. Chairman, I can suggest an exciting initiative you may choose to champion. Imagine how we could revitalize fatherhood if

a mere one percent of the Federal child support budget were redirected to fatherhood enhancement, to support encouragement, to a campaign that celebrates fatherhood not as a mother's option nor as a child's financial entitlement but rather as a magnificent joy for children and a noble and enduring opportunity for male happiness.

On September 17 and 18 the National Congress for Men will stage a 2-day national symposium, the first of its kind ever held anywhere. We will gather judges, lawyers, social workers, divorce mediators, child support enforcement officials, legislators, and the popular media to hear eminent clinicians and dispassionate researchers discuss the topic of which we hear very little. The Effects of Divorce on Fathers and the Father/Child Relationship. I am authorized to ask you, Mr. Chairman, to address the symposium on your view of fatherhood and family policy.

I heartily hope you will accept our invitation.

In summary, Mr. Chairman, let me say that fatherhood is a resource America cannot afford to waste. Fatherhood reduced to mere finance is wasted indeed. Thank you.

[The prepared statement of Mr. Kammer follows:]

# NATIONAL CONGRESS FOR MEN



"Preserving the promise  
of fatherhood."

210 7th St. SE Washington, DC 20003  
Phone (202) FATHERS

**PRESIDENT**

John Ressler  
Fathers Rights Association, Inc.  
North Syracuse, New York

**EXECUTIVE VICE PRESIDENT**

David L. Rose  
Fathers for Equal Rights, Inc.  
Denver, Colorado

**SECRETARY-TREASURER**

Paul M. Robinson Jr.  
Fathers United for Equal Rights  
Springfield, Virginia

**DIRECTORS**

Rod Beving  
United Fathers of America, Inc.  
Santa Ana, California

Ernest Coates  
AM News & Features Service  
Montclair, NJ

James A. Cook  
Fraternal Custody Association  
Los Angeles, California

Peter T. Cyr, DMD  
Coalition Organized for Parental Equality, Inc.  
Portland, Maine

Nal Denman  
Justice Pro-SE  
Falmouth, Massachusetts

Michael Gaines  
Lifestyles Publishing, Inc.  
Seattle, Washington

Fredric Hansen  
Men's Rights, Inc.  
Sacramento, California

Robert A. Hirschfeld  
Coalition of Paternal Rights Attorneys  
Phoenix, Arizona

Jack Isaacson  
Fathers Aid of Orange County  
Laguna Hills, California

Joe Karl  
Husbands Against Discriminatory Divorce  
Seattle, Washington

George Kelly  
Concerned Fathers  
Springfield, Massachusetts

Ken Lewis, Ph.D.  
Child Custody Evaluation Services, Inc.  
Philadelphia, Pennsylvania

David MacDonald  
Husbands Against Discriminatory Divorce  
Seattle, Washington

Joseph T. Novak  
Fathers for Equal Rights  
Jackson, Michigan

Michael Sanow, Ph.D.  
Towson State University  
Baltimore, Maryland

Tom Williamson  
Coalition of Free Men, Inc.  
Manhasset, New York

**EXECUTIVE DIRECTOR**

Jack Kanover

Testimony Presented before  
the Senate Finance Committee  
Subcommittee on Social Security  
and Family Policy

Senator Daniel Moynihan, Chairman

March 2, 1987

Mr. Chairman:

It is an honor to be with you today. I trust my comments will help us find a solution to a national tragedy. I am especially happy to be speaking before you, Mr. Chairman, because I know you appreciate new ideas and perspectives.

We are trying here today to discover the most efficient means for assuring that our nation's youth are supported financially. There has been talk of laws and computer systems and reciprocal agreements and administrative procedures and staff increases all designed to do one thing -- to force a person do what he does not otherwise feel motivated to do.

The National Congress for Men would urge the subcommittee to stop for a moment, to close its eyes in a figurative sense, to clear its mind, and to re-open its eyes with a fresh outlook. I'd like to discuss an entirely different way to view and approach the problem.

The National Congress for Men would urge that one set of basic questions be asked. And we would urge that any answers proposed for these questions be scrutinized for sexist assumptions about fathers in particular and men in general. Indeed, the very problem of non-payment of child support is often mistakenly discussed in sexist terms, as if men are inherently inferior to women in love and nurturance, in sharing and giving.

The basic questions would be these:

- Why do men get married in the first place?
- Why do men assume the heavy financial burdens marriage brings?
- Does it seem likely that men will cooperate in fulfilling their financial obligations



National Congress for Men  
 Testimony, March 2, 1987  
 Page 2

when the reasons they assumed those obligations have been taken away?

- What happens to a man between the time he says "I do" and the time he says "I won't"?

The National Congress for Men would suggest that the primary reason men get married is to achieve precisely what divorce invariably takes from them -- feelings of love, of family, of stability, of belonging.

One of the sexist biases about which I urged caution a moment ago is that men care only about money. That bias is manifest in the claim that

men's Standard of Living goes up after divorce while women's and children's goes down. This claim is based on misrepresentative statistics, but even if it were true, we should recognize that only in a narrow sense does money make for a high Standard of Living. We urge you to keep in mind that when men marry, they do it to achieve a higher Standard of Loving.

And even if we refuse to consider any value except those that can be expressed in dollars, cents and percentages, please consider this: I am not married, I am not divorced. I am simply a man who cares about what is happening to the social fabric of his country, a man who wants his chances for meaningful fatherhood respected. I like to point out that no financial counselor has ever suggested that I should get married, raise a family, then have my wife divorce me and take my children away so that my Standard of Living will rise.

The point is so simple that we miss it entirely. Men voluntarily lower their Standard of Living in order to achieve the love and affection, the feeling of purpose and connectedness that only a family can provide.

For that men are willing to pay. For that, men say "I do."

In the absence of that, we need to have hearings like these.

And we wonder out loud why and how men can be so unloving. And we fall into our sexist assumptions about men in general and fathers in particular.

Let us recognize that cooperation is always better than confrontation. Let us embrace the principle that the most effective device for getting fathers to pay child support is fatherhood itself.

National Congress for Men  
Testimony, March 2, 1987  
Page 3

If a father does not support his children, let us not examine the father and what we can do to him. Let us examine his fatherhood, and what we as a society did to it at the time of his divorce, and what we do to it every day that we regard fatherhood as an inferior brand of parenthood.

I would urge that we remember the message we have been sending to men since the dawn of the Industrial Revolution. "You are more important in the factory," we tell them, "than in the family." If we can elevate fatherhood to the lofty position motherhood so rightly holds, men will be less likely to throw it away, women who truly love their children will be less likely to interfere with the father-child relationship, and judges in divorce proceedings will be less likely to throw the father out with the wedding vows.

And if I may continue into the problem of unwed and teenage pregnancy just briefly, I would suggest that enhancing our national esteem for fatherhood would encourage young men to guard their procreative capacity as they would guard the keys to a treasure chest.

As things are today, however, too many young men, and too many young women regard fatherhood as a biological curiosity with economic ramifications but relatively little intrinsic value.

How sad it is, Mr. Chairman, that paternity is regarded as a quasi-criminal offense. How sad it is that we make fathers want to run and hide. How sad it is that if we can prove a man "guilty of fatherhood" we will saddle him with the burdens of parenthood and grant him none of the joys and dignities.

If ever there was a case that clearly illustrates this society's regard for fatherhood, it is the one making news today in Tennessee. An unmarried young man who refuses to have his parenthood discarded, a young man who is insisting on being a father to his child regardless of the relationship he has with the mother, is being told that he cannot demand a test for paternity. Under Tennessee law only the mother can choose to prove paternity. Fatherhood is not something for a man to insist upon. Fatherhood is something for a man to deny and to endure if his denials fail.

The National Congress for Men, Mr. Chairman, has a bumper sticker that Time magazine called militant. It says simply "My children have a father!" It was designed as a message to be proclaimed as well by women as by men, as well by mothers as by fathers. It is the kind of message America needs to see and hear more often.

National Congress for Men  
Testimony, March 2, 1987  
Page 4

In addition to the program my friend David Levy will outline for you, Mr. Chairman, I can suggest an exciting initiative you may choose to champion. Imagine how we could re-vitalize fatherhood if a mere 1% of the federal Child Support budget were re-directed to fatherhood enhancement, to support encouragement, to a campaign that celebrates fatherhood not as a mother's option, nor as a child's financial entitlement, but rather as a magnificent joy for children and a noble and enduring opportunity for male happiness.

In September at the Sheraton National Hotel adjacent to the Pentagon, the National Congress for Men will stage a two-day national symposium, the first of its kind ever held anywhere. We will gather judges, lawyers, social workers, divorce mediators, child support enforcement officials, legislators and the popular media to hear eminent clinicians and dispassionate researchers discuss a topic of which we hear very little -- the effects of divorce on fathers and the father-child relationship. I am authorized to ask you, Mr. Chairman, to address to the symposium on your view of fatherhood and Family Policy. I heartily hope you will accept our invitation.

In summary, Mr. Chairman, let me say that fatherhood is a resource America cannot afford to waste. Fatherhood reduced to mere finance is wasted indeed.

Thank you.

Jack Kammer  
Executive Director

Senator MOYNIHAN. Thank you, Mr. Kammer. And as is our practice, we will now go to Mr. Levy; and then I will have some questions. Mr. Levy is president of the National Council for Children's Rights. Mr. Levy.

**STATEMENT OF DAVID L. LEVY, ESQ., PRESIDENT, NATIONAL COUNCIL FOR CHILDREN'S RIGHTS, WASHINGTON, DC**

Mr. LEVY. Thank you, Mr. Chairman. Our National Council has a nationally prominent advisory panel, which is listed on our letterhead.

Senator MOYNIHAN. A very distinguished panel, if I may say so. I see that Reverend Callender and Senator DeConcini are members.

Mr. LEVY. Yes, and Doris Jones Freed, and Jim Levine of the Bank Street College of Education from New York. In our 2 short years of existence, we have already written and distributed 13 written reports, four audio cassettes, legal briefs, model bills, and we have filed Friend of the Court briefs in two court cases, one in the State Court in California, one in the Federal Court in Ohio, to preserve the right of a child to two parents.

Senator Moynihan, a couple of years ago when the child support amendments were passed, many people then said: Child support now; visitation later. We think the later is now.

We think there may not be any better single bill that you could pass this year to reform welfare and to improve child support payments than a national access or visitation bill. Please let me explain.

In every child support jurisdiction in the country—child support office—there is child support staff to help parents collect child support. There is no comparable visitation staff, except in three jurisdictions: the State of Michigan Friend of the Court system in Travis County, Austin, Texas; and in Prince Georges County, Maryland. In Prince Georges County, Maryland, visitation counselors were hired last year at the request of our National Council for Children's Rights.

Under our proposal which is being considered by certain Senators and Representatives right now, it would work this way. After a State has issued a visitation order—not before—States still retain jurisdiction to issue child support and visitation levels—if there was a problem, a complaint could be filed. If the custodial parent said the noncustodial parent was not showing up for visitation or was showing up drunk or under the influence of drugs, that counselor would contact the noncustodial parent. If the noncustodial parent said the custodial parent was not having the child available at the time of court-ordered visitation, that custodial parent would get a phone contact.

In Prince Georges County, in less than a year, they find already an 80 percent success rate; that is, in 80 percent of the cases—Rita Gunn and the officials there confirmed this—80 percent of the cases report visitation is going more smoothly after that has been done, if those contacts are made.

The average time to resolve a problem, believe it or not, is an hour and a half at an average salary cost of \$15.00. The savings in court time—court time and trauma to children, et cetera—is phe-

nominal; and we ask that Congress this year create access counselors nationwide. It would be at a very nominal cost.

We prefer the word "access" over "visitation" because noncustodial parents are not mere visitors in their children's lives and because access focuses on the child's rights, not just the parents. The Maryland Child Support Advisory Council, of which I am a member, endorses the use of the word "access." Debbie Stabenow in Michigan, one of our advisors, the chairperson of the Mental Health Committee, in the Michigan House, says Michigan is going to start, she believes—she has recommended—using the word "access." It is becoming a more popular word.

And I might add that in Michigan, not only do they have the counselors, but they also report the highest collection in child support per administrative dollars, as you know: \$6.92 collected for every \$1.00 spent to collect. Michigan is the only State that has a statewide visitation counselor system. Michigan is also one of 13 States with a preference or presumption for joint custody, which is another way to keep both parents involved in the raising of children to enhance family self-sufficiency.

I would like to mention briefly three other methods, simple ways, to help this whole process. One, the visitation counselors in Prince Georges County report that the saddest cases are where a noncustodial parent—usually a father—is paying support to a child he can't find the whereabouts of. The situation arises where the custodial parent takes the child, hides the child, say, in Tennessee—any State—applies for welfare, gets the welfare; Tennessee tries to collect against the father in Maryland; and the father pays.

Under the secrecy rules of the Federal Parent Locator Service, that noncustodial parent cannot find the whereabouts of the child. The parent paying support doesn't know where the child is. I thought secrecy rules were designed to protect us from Big Brother, not to be used to aid and abet kidnaping and to keep paying parents from knowing where the child is. I think a simple change in the Parent Locator Service would take care of this.

Two, we should also make clear in the child support law that one parent may be designated as a public welfare recipient in situations where public welfare aid is deemed necessary and appropriate, regardless of whether the parent has sole or joint custody. This would stop State officials—as has been done in some States—trying to bar welfare from the parent because she has joint custody. Two parents can have joint custody but still be poor.

The Census Bureau reports, as you know, that there are more couple-headed and male-headed households in poverty now than female-headed households, a statistical refutation to Lenore Weitzman's very skewed figures of one set of long married, high income parents in one wealthy California county, Marin. And Michael Harrington's article in the Washington Post on Sunday, February 15 talked about "The Invisible Poor: White Males."

Joint custody does not mean there is not poverty. Clearly, we should not penalize people because of the type of custody arrangement they have, sole or joint. The test should be whether the children are receiving sufficient parental support and care. We should not force people to choose sole over joint custody with the greater problems of child-rearing and support associated with sole, rather

than joint custody. A change in 42 U.S.C. again, Section 601, could remedy this problem. For further background, there is an article that I have by James W. Johnson, staff attorney at the Center of Social Welfare Policy and Law in New York on the relationship between AFDC and joint custody.

And finally, I suggest a simple rewording of Federal law to change "absent parent" to "noncustodial parent." Words have power, and the word "absent" should not be used except if a parent is truly absent. How can you be absent and still be paying child support? It is an anomaly. To call a parent "absent" just because he or she is noncustodial misses the changed lives of children today. Children of separation or divorce today have two homes. As the 8-year-old girl said in Isalma Ricci's book: "Mom's House and Dad's House," she has two homes: mom's house and dad's house. Calling parents absent encourages them to be absent.

Surely that is not what we want to encourage. Again, a change in 42 U.S.C. could accomplish this.

Thank you on behalf of the children of America.

Senator MOYNIHAN. Thank you, Mr. Levy. That is a very perceptive thought, the absent parent. I am not very clear where it says that in the statute, but that clearly must be addressed.

[The prepared written statement of Mr. Levy follows:]

# National Council for Children's Rights, inc.

2001 O Street N.W., Washington, D.C. 20038

Telephone (202) 223-6227

February 29, 1987

The Honorable  
Daniel Patrick Moynihan  
Chairman, Social Security and Family Policy Subcommittee  
Senate Finance Committee  
Washington, D.C. 20510

Dear Senator Moynihan and Members of the Committee:

When Congress passed the Child Support Amendments of 1984, many people said "Child Support Now" and "Visitation Later." We think that later is now.

The National Council for Children's Rights is proposing that Congress pass an Access (Visitation) Law this year. We think such a law will not only help a child get access to both parents, but may also be the single most important bill you could pass this year to improve child support payments.

Please let me explain. We have staff in child support offices throughout the country to help parents collect child support, but we have virtually no staff anywhere to help parents with visitation problems. Only in three jurisdictions--in Michigan's Friend of the Court System, in Travis County (Austin) Texas, and in Prince George's County, Maryland--is there staff to help parents with visitation problems.

The visitation counselors were hired in Prince George's County last year at the request of our National Council for Children's Rights.

Under our proposed bill, being closely studied by certain Senators and Representatives, either the custodial or non-custodial parent could file a complaint. If the custodial parent said the non-custodial parent was not showing up for visitation, or was showing up drunk or under the influence of drugs, the counselor would contact the non-custodial parent. If the non-custodial parent said the custodial parent was not having the child ready at the time of court-ordered visitation, the counselor would contact the custodial parent.

## A NON-PROFIT, TAX EXEMPT ORGANIZATION HELPING CHILDREN OF DIVORCE

OFFICERS: David L. Levy, Esq., President      Julie L. Bussness, Vice President      Elliott M. Diamond, Treasurer      Ellen Debra Levy, Secretary

### ADVISORY PANEL

John W. Alderson, Jr., Esq.  
Senior Counsel, Board of Child  
Welfare, Washington, D.C.

Barbara Baker  
Chicago, Illinois  
Chicago, Ill.

Sheldon Berman, Junior Professor  
Meadowcroft School, Council  
Bluffs, Ohio

The Honorable Stephen B. Goldberg  
Commissioner for the New York State  
Office for the Aging  
New York, New York

Ellen Conover, Esq.  
Phoenix, Arizona

James G. Cooper, D.D.S., LL.M., LL.M.  
Associate Medical Health Professional  
College Park, Maryland

Jim Grant, President  
The Joint Council Association  
Los Angeles, California

Marjorie Green, Esq.  
Los Angeles, California

Kevin Buchanan, Esq.  
Senior Professor of Law  
Jamaica, New York

Henry H. G. G. G.  
Department of Family & Child Welfare  
University of California

William F. H. H. H.  
Senior Director of Child Welfare  
Department of Health & Human Services  
California

Dr. James P. H. H. H.  
Chief, State of the Department of Health & Human Services  
California

Larry Engelman, Law Professor  
Professor of Law, Family Professor  
of Family Relationships, D.C.

John G. G. G. G.  
Professor of Psychology, California State  
University, Los Angeles

Robert J. H. H. H.  
Director, Child Welfare, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

John H. H. H. H.  
Professor of Law, Michigan  
State University, East Lansing, Michigan

## National Council For Children's Rights/2

The access (visitation) counselor would provide informal mediation, to try to get the parents to cooperate in following court-ordered visitation. The result will be less trauma for children, and less use of our overburdened taxpayer-supported court system.

The visitation counselors in Prince George's County report an 80% success rate. That is, in 80% of reported cases, the parents state that visitation is now proceeding more smoothly. And because the average visitation complaint takes only about 1 1/2 hours to resolve, the cost is only about \$15.00 a case.

The U.S. Department of Health and Human Services is funding the visitation counselors in Prince George's County at the same rate they pay for child support staff--70% of costs.

The National Council prefers the word access rather than visitation. Non-custodial parents are not mere visitors in their children's lives and access focuses on the child's right, not just the parents'.

Debbie Stabenow, chairperson of the Mental Health Committee of the Michigan House of Representatives, supports the use of the word "access." And the Maryland Child Support Enforcement Advisory Council, of which I am a member, also endorses the word "access."

In analyzing one of his Michigan County samples, Chambers (1970) notes that fathers who had little or no contact with their children after the divorce paid only about 14 percent of their child support, while fathers in regular contact paid 85 percent. Wallerstein and Huntington (1983) assess the child support payment patterns of 60 families following separation and conclude that there is a relationship between the frequency, regularity and flexibility of visitation and the payment of child support which emerges at 18 months post separation and holds over the 5 year period of their study. And in a national survey, Furstenberg and Zill (1983) find a positive relationship between the provision of child support and the frequency of contact with the child.

This information on the relationship between child support and visitation can be found in a study by Jessica Pearson and Nancy Thoennes, entitled "Child Custody, Child Support Arrangements and Child Support Payment Patterns" conducted for HHS under Grant No. 18-P-00262-8-01, dated March, 1985.



## National Council for Children's Rights/3

I might add that Michigan, the only state to have a "Child Support and Visitation Act," collects more in child support per administrative dollar than any other state. Michigan collects \$6.92 per dollar spent administratively in collections. Michigan is also one of 13 states to have joint custody as a preference or presumption--another method of helping children maintain close and continuing contact with both parents.

One in two couples get divorced nowadays, with the average marriage lasting 6.4 years. One child in four will live in a single-parent household before reaching the age of 18. Numerous studies show that divorce is a long-time stressor of children. We must do more to emphasize the strengths of healthy families, and to ease the burden of divorce on children, when it does occur.

Involving more parents in the raising of their children, after separation or divorce, is clearly a positive way to do this.

I would like to mention three other ways in which Congress can help children's access to two parents, and at the same time, assure more child support.

1. Limit the secrecy rules of federal and state child support offices. The visitation counselors in Prince George's County say that the saddest cases they handle is where a non-custodial parent is paying support to a child in another state but doesn't know where the child is. The situation arises where a custodial parent hides the child in another state, applies for welfare, then welfare officials collect against the non-custodial parent. The non-custodial parent is paying support, but secrecy rules prohibit letting him know the whereabouts of the child. Secrecy rules were meant to protect us from Big Brother, not to hide our children. If there is a good reason for secrecy, the custodial parent can petition the court for secrecy. The presumption, however, should be on innocence and accessibility--especially where you are paying support. Not only do we aid kidnapping with welfare money, but how long do you think a non-custodial parent will pay support for a child he doesn't know the whereabouts of? We discourage child support with this policy. A simple change in the Federal Parent Locator Service phraseology, 42 U.S. Code, Sec. 653, would probably be sufficient to remedy this on the federal level.

National Council for Children's Rights/4

2. Make clear in federal law (42 U.S.C.) that one parent may be designated as a public welfare recipient in situations where public welfare aid is deemed necessary and appropriate, regardless of whether the parents have sole or joint custody. This would stop state officials from refusing welfare to a parent because she has joint custody. Two parents can have joint custody, but still be poor. The Census Bureau reports there are now more couple-headed and male-headed households in poverty than female-headed households in poverty, a statistical refutation to Lenore Weitzman's very skewed figures of one set of long-married, high-income parents in one wealthy California County (Marin). And Michael Harrington's article in the Washington Post on Sunday, Feb. 15, 1987, talked about "The Invisible Poor; White Males." Joint custody does not mean there is not poverty. Clearly, we should not penalize people because of the type of custody arrangement they have--sole or joint. The test should be whether the children are receiving sufficient parental support and care. We should not force people to choose sole over joint custody, with the greater problems in child-rearing and child support associated with sole rather than joint custody. A change in 42 U.S.C. Sec. 601 et seq. could remedy this problem. For further background, please see "Joint Custody Arrangements and AFDC Eligibility" (Clearinghouse Review, May, 1984) by James W. Johnson, a staff attorney at the Center of Social Welfare Policy and Law, New York.

3. Make a simple re-wording of federal law to change "absent parent" to "non-custodial parent." Words have power; and the word "absent" should not be used except in cases where a parent is truly missing. To call a parent "absent" just because he or she is non-custodial misses the changed lives of children today. Children of separation or divorce today have two homes--as the 8 year old girl said in Isolina Ricci's book, "Mom's House and Dad's House." Calling parents "absent" encourages them to be absent. Surely that is not what we want to encourage. A change in 42 U.S.C could accomplish this.

Thank you, on behalf of the children of America.

Sincerely yours,

*David L. Levy*  
David L. Levy, Esquire  
President, NCCR

Senator MOYNIHAN. Could I ask the panel here a question? One of the things we do learn is that Michigan, a State with a very heavy incidence of welfare dependency, is nonetheless a State where there is a very high number of child support payments. And I suppose Mr. Levy made his views on this clear. So, I would ask Ms. Nuta and Mr. Kammer: Do you think it could be associated with this visitation statute? It is not just that Michigan collects more per dollar for child support. That particular ratio is a little bit deceiving. You know, if you only handle three cases, you can have a wonderful ratio.

But does this right of access or visitation make a difference? Ms. Nuta.

Ms. NUTA. I think that what Michigan has done is put a lot of resources and care and thought into how they deal with families in general. They have a separate system for dealing with these problems as Friend of the Court, and they have addressed the changing needs of families over the years, earlier perhaps than other States. And I would see their visitation work as being reflective of their interest in the family, and their child support success as being reflective of that interest and not necessarily intertwined.

Senator MOYNIHAN. Yes.

Ms. NUTA. In Prince Georges County, I have spoken several times to the worker there, and we think that what she is doing is wonderful. She does tell me that her success in dealing with visitation does not in itself guarantee more child support being paid. The two things don't correlate.

Mr. LEVY. If I could respond to that, I have talked to the person there, too; and the system is so new there that they have not made a correlation in Prince Georges County, MD. But in Michigan where it has been around longer, Chambers in 1970 in Michigan, notes that fathers who had little or no contact with their children after divorce paid only about 14 percent of their child support in Michigan, while fathers with regular contact paid 85 percent.

Senator MOYNIHAN. Right. I saw that.

Mr. LEVY. And Wallerstein and Huntington assessed the child support payments to 60 families upon separation and concluded that there is a relationship between support payments and frequency, regularity, and flexibility of contact with the child.

Senator MOYNIHAN. Yes. There is something going on out there, which is rather surprising. Mr. Kammer.

Mr. KAMMER. I would add that Michigan recently enacted a law making interference with visitation or access a felony, and I like to refer to what a professor of law in Oregon says, that one of the greatest functions of the law is to tell people what we expect of them.

Senator MOYNIHAN. Yes.

Mr. KAMMER. And that law in Michigan, which makes visitation interference a felony or access interference a felony sends a very clear message: we expect you not to interfere with the father/child relationship. Ms. Nuta, during her remarks, referred to a woman who called but didn't know that her children were entitled to support or welfare; and that is a tragedy. I think it is also a tragedy when we have custodial parents, primarily mothers, who don't know that their children are entitled to a father.

Senator MOYNIHAN. I think that is so clear. And when you say the law tells people what we expect of them, it is surprising, but not necessarily obvious, to find custodial parents that don't know that they have a right—

Ms. NUTA. That is right. It is very sad. It is reflective, I think, of what goes on out there in these rural areas and places away from Washington. Child support is not seen as an important issue.

Senator MOYNIHAN. And I would ask the three of you: We have been sending a signal to our bureaucracy that this is not very important, don't you think? Only just recently have we begun to say that this is important. I think perhaps two generations ago—or maybe one generation ago—there was a general teaching that when families broke up there was a good reason. People would say that, and not speak out.

It may have been a time when family disintegration was very small, but I think the time has come when we have to consider that.

Mr. KAMMER. Mr. Chairman, could we flip that idea around a bit?

Senator MOYNIHAN. Sure.

Mr. KAMMER. That if we do have the belief that you shouldn't seek child support because it would disrupt the family, I would like you to keep in mind the message that gives to the father. Even if you send money, that disrupts the family. Imagine what it says to him about coming over to visit the children, his children. The messages we have been giving the men in this society, along with the messages that child support is not important, we have been giving the messages that fatherhood is not important. And that is the crux of the issue that needs to be addressed.

Senator MOYNIHAN. Something has been going on.

Mr. LEVY. Senator, may I?

Senator MOYNIHAN. Oh, please.

Mr. LEVY. We have a very sexist view toward custody in this country. If there were any other area in this country in which one sex was getting something as important as custody by a 9-to-1 ratio, we would howl in protest, but that is what happens. Although most custody arrangements are voluntary, those voluntary agreements reflect the state of the law. The state of the law permits voluntary agreements to come in at 9 to 1 for mothers. Now, perhaps we need an affirmative action program for fathers for custody, although we don't suggest that, because our National Council does not favor sole custody. We favor the right of the child to have two parents.

Senator MOYNIHAN. I am going to have to say that this is an issue of great interest, but it is somewhat beyond the jurisdiction of the Subcommittee on Social Security and Family Policy.

Mr. KAMMER. Mr. Chairman, I think Mr. Levy and I would be happy to talk with you about it over lunch or any time that would be convenient.

Senator MOYNIHAN. That is a very pleasant invitation. I am thanking you all for very interesting testimony and very important suggestions.

I will now declare this series of hearings concluded, thanking our staff, thanking the indefatigable recorders, and thanking the very patient members of the press and visitors, some of whom we got to

recognize, and some of whom are regulars, and thanking in particular out witnesses today.

[Whereupon, at 12:55 p.m., the hearing was adjourned.]

[By direction of the chairman the following communications were made a part of the hearing record:]

Testimony Submitted to the Subcommittee on  
Social Security and Family Policy

March 2, 1987, Hearing on Welfare Reform

The Coalition on Human Needs is an alliance of over 100 national organizations here in Washington and hundreds of grass-roots groups around the country. The Coalition was formed in 1981 by groups concerned about federal policies affecting the poor, minorities, women, children, disabled persons and the elderly.

The Coalition firmly believes in the high priority given by you and others this year to welfare reform. We sincerely hope that as much as possible can be done in this session of Congress to reform the system and enable many to escape into paid employment that better meets their family's needs.

The Coalition specifically has the following concerns:

- . Welfare recipients now face significant obstacles in qualifying for and maintaining the assistance they need. Extreme care must be taken to avoid erecting new bureaucratic hurdles.
- . A combined AFDC-Food Stamp national benefit standard of at 100 percent of poverty should be achieved within the foreseeable future, with the first steps taken this year.
- . The time has come to extend AFDC-UP for two-parent families in all states.
- . Real jobs, with decent wages and benefits, are a critical factor in the welfare reform equation. In their absence, the government should remove barriers and smooth the transition from welfare to employment.
- . Most welfare recipients want desperately to work at decent jobs. We should do everything we can to help them and be careful not to promise more than we can deliver.
- . Fairness to the many who want to work outside the home and to those who can't requires a welfare-work system which is open to all who wish to enter it but compulsory for no one.

- . A full range of support services must be in place and applied carefully on an individual basis.
- . Intake assessments must be conducted by highly qualified personnel with intimate knowledge of the local education and training system and employment opportunities.
- . The federal government must provide transitional income and health care assistance that is not based on time limitations but on economic need.

In your efforts to revamp the welfare system, we hope you will keep as your overriding goal the reduction of poverty. We have been following the testimony before this and other committees, and believe that too often the underlying emphasis of some witnesses has been a desire to simply reduce the welfare rolls. If our aim is to reduce the extent of poverty, we must be concerned with the level of assistance that is available to those who, for one reason or another, must depend on public assistance, as well as the kinds of jobs people will get when they move off welfare.

The Coalition's statement is based on the discussions of a working group on welfare and a survey the Coalition has conducted of low income persons under a Ford Foundation grant. The working group consists of about 25 policy experts from Coalition participating organizations and others who signed a Statement of Principles on welfare reform which received wide media attention in December. We have been meeting on a weekly basis to discuss substantive issues that the committee and staff also have been grappling with.

The Ford-supported survey enables us to convey to you the views of 200 persons with incomes below 125 percent of poverty (all but a few beneath the poverty line). In-depth interviews, averaging two hours in length, were conducted with 50 low income persons in Washington, D.C., last summer. Another 150 such interviews are now being completed in San Antonio, Alliquippa, Pa., and three rural counties in northeastern North Carolina. Although we include in this statement examples and early observations from the three final sites, the final analysis and report will not be finished until late April.

Rather than statistical analysis, our qualitative research was designed to elicit detailed personal experiences and policy-informing ideas from persons who are past, present and potential recipients of AFDC and other low income programs. While not a random sample, those we interviewed were selected to mirror the characteristics of persons in poverty in terms of geographical location, race, sex, age and employment status. Respondents

were identified and interviewed with the assistance of non-profit religious, social service and community organizations. The proportionate size of each of sub-sample was mid-way between what the Panel Study of Income Dynamics found to be the percentage that makes up the persistently poor and the poor at any one time.

For many reasons, which we will outline, our working group believes that employment/training cannot, by themselves, substantially reduce poverty among the poor population eligible for AFDC.

First, it is important to remember that our system of public assistance is far from reaching all of those in poverty. Looking only at poor families with children, one finds that half are not receiving AFDC. Furthermore, two million persons, or 22 percent of those eligible for AFDC, do not receive it.

Some obviously do not apply for AFDC whether they're eligible or not. We have interviewed such people. Usually, their reason is that they think they won't qualify. Unemployed steelworkers in Pennsylvania are selling homes, cars and exhausting their savings. Although they have no income, or very little, they know they don't qualify for assistance.

The bureaucracy, which often is cruel, keeps many others from applying. I personally interviewed a woman in Washington who had no income from any source and two children to support, yet she had not applied for food stamps and was still awaiting a decision on her recent application for AFDC. She had separated from her husband a year and a half earlier, gotten a job as a receptionist and lost it after six months. Now enrolled in a training program, she said the reason she delayed applying for benefits was the difficulty of finding an entire day she knew she would have to spend in the Montgomery County welfare office, in arranging for a friend to take her there and pick her up, in making the additional trips that would be required to gather documentation and special arrangements for child care. In conducting the survey, our staff's impression was that being on welfare can be a full-time job in itself.

Our policies have already made it very difficult for people in need to qualify and maintain eligibility for welfare. Erecting any additional hurdles in this round of "welfare reform" would be intolerable. If anything, we need to streamline the system and reduce the documentation required.

Although some don't apply, most of the poor not receiving AFDC do not qualify under state-determined policies. As of last July, the standard of need on which AFDC eligibility is based, was below the federal poverty line for a family of three in



every state. In 38 states, it was below 75 percent of the poverty line. Also, two-parent families are categorically ineligible regardless of how low their income is in the 26 states which have rejected the option of enacting the AFDC-unemployed parent program.

A seven-member Hispanic family we interviewed in Texas, for example, could not begin to qualify for AFDC merely because of the father's presence. Food stamps of \$304 per month is the family's only income now that his unemployment benefits have run out. This is 22 percent of poverty for a seven-member family. The parents and five children live in a two-room house without doors or plumbing.

For those who do manage to qualify for AFDC, the benefits simply do not go far enough. Time and again, people we interviewed in Washington used the same words to describe the level of AFDC and food stamp benefits they received: "They only last two or three weeks (of a month), but I don't know how we'd survive without them." They managed only with the help of other federally-funded services, private charity and by doubling up with large extended families.

Recipients' description of how long benefits last is borne out in statistics relating them to the official federal poverty line. In 1986, maximum AFDC benefits in 31 states and the District of Columbia were less than 50 percent of the poverty line for a family of three. Even when combined with food stamps, benefits do not reach 75 percent of the poverty line in 40 states.

A white mother of two, for example, is living at 74 percent of the poverty level on AFDC and food stamps in Alliquippa. She pays \$225 of her \$357 AFDC benefit to rent a trailer. When interviewed, she had winter clothing for her two children but only jeans and a T-shirt for herself. The youngest child has a severe respiratory problem which requires constant monitoring through the night and frequent emergency trips to the hospital. Medicaid would not pay for a breathing monitor, which would cost \$5,000 or \$225 a month to rent.

The father, a laid off steelworker, left his family in the face of the stress caused by the infant's illness and their financial pressures. The mother was fired from her janitorial job when her boss learned she was pregnant (a frequent occurrence among those we interviewed). Being fired kept her from receiving unemployment benefits. Having dropped out of tenth grade, she is trying to find a way to finish her GED. At age 22, she feels she has been discriminated against for better jobs because of her age and lack of education. She has applied for other jobs, mostly part-time work with no benefits, but has been turned down in favor of high school students who can work after school.

In addition, variation in AFDC benefits between the states is great. The median AFDC benefit for a family of three was paid by Illinois last year -- \$341 per month, or \$4,092 per year. This was 45 percent of a poverty level income of \$760 per month for a family of three. Half the states paid less, with benefits as low as \$118 in Alabama. Outside of Alaska, the highest payment of \$617 (81 percent of poverty) was in California.

The wide variation in payments, the numbers of poor children who go without any assistance, and the inadequacy of current payments make it imperative that any welfare reform in the current "window of opportunity" move toward realistic standards of need and a national minimum benefit.

Specifically, the Coalition believes that this year Congress should take the first steps toward achieving, in the foreseeable future, a combined AFDC-food stamp minimum benefit of 100 percent of poverty. We also believe, as you do that AFDC-UP must be mandated in all states so that children in two-parent families are not discriminated against because they live in one state and not another.

Now, to turn our attention to the topic that many today consider the issue of welfare reform, namely work. The great majority of people we interviewed believed that a good job was ultimately the only way out of their current economic straits. Yet, employment/training cannot be considered the total solution for everyone.

First, many are seriously hampered in their ability to work due to their own disability or the care needed by another family member. We purposely interviewed 10 disabled persons in Washington, only to find that, in addition, nearly half of the entire sample had someone else in the household -- usually children or the spouse -- who was disabled, impaired or seriously ill.

Second, nurturing children is a valuable activity, possibly the most important in our society. Much has been made of the extent to which "middle class" mothers have entered the workforce. But significant numbers have not (49 percent of those with children under three, 46 percent with children under six, and 30 percent with children 6-17). Many of those who do work outside the home have a husband with whom they share care-taking responsibilities. And the great majority, 71 percent, work less than full-time year-round.

Given the reality of low wages and inadequate child care, many low income mothers choose not to work rather than jeopardize

the safety of their children. Others know that earnings would not even come close to the cost of substitute care.

Several of the women in our survey, especially those with large families, believe strongly that they should be home with their children. One 36-year-old mother of three, a Hispanic, is breast feeding her youngest child and says she would not consider leaving home until he is at least 2 1/2. She only finished sixth grade and stresses education with her children. "I keep telling my son, 'Look at the way we are -- your dad and I we didn't finish school. Is that what you want?'"

Child care and health care-related issues were frequently cited by the women we interviewed in Washington as the main reasons they lost their jobs or were currently unemployed. Clearly, the absence of quality, affordable child care is one of the major impediments to the employment of AFDC mothers.

Because there are many personal factors behind such decisions, it is impossible for lawmakers and the bureaucracy to make competent decisions about who should move into paid employment and who should remain at home with their children. A focus group we conducted as part of our survey in San Antonio consisted of ten mothers who insisted that, at the very least, it was their responsibility to be home with their children until they were school age. Even then, they said they would feel it necessary to pick them up from school at 3:15. This feeling among three of the women seemed exceptionally strong. Only later, did the person who helped organize the meeting explain that the children of those three women had been the victims of sexual abuse either at home or in their neighborhood. We doubt that such private information would be given volunteered to a welfare caseworker, especially given the low level of confidence people we interviewed had in them.

While some we interviewed couldn't, or believed they shouldn't, leave the home to work, the vast majority wanted desperately to go to work and free themselves from a welfare system that they consider inadequate and demeaning. Some who want to go out and work are disabled; have tremendous education, skill and personal deficiencies; or, in the judgment of others, might be better off staying at home.

The challenge to this and other committees, is to find the best way to make "real jobs" a possibility for all of those who want to work. At the same time, we must be careful not to promise more than we can deliver because many of these people have been disillusioned time and again by government programs which they thought would lead to jobs.

As Judith Guron of MDRC wrote in a February 1987 paper, "the glass is either half full or half empty" depending on the perspective from which one views the employment and training programs that MDRC examined in five states. If you look from the point of view of those who went through the experimental programs, you find that, depending on the state, from 78 to 38 percent of the participants did not become employed during the study period. It seems plausible that those people expected to get something out of the program and were disappointed. Even in the model E.T. Choices program in Massachusetts, 74 percent of registrants did not come out with jobs in the first 20 months of the program. The number who participated in advanced education or long-term training, was not large enough to explain why so many failed to get jobs.

Neither work nor training would be a new experience to the people we have interviewed. In Washington, everyone had worked at some point in their lives and about half were still working -- but all were still poor.

At least in Washington, D.C., and Pennsylvania the training these people received was often ineffective and sometimes incompetent. In some cases the training was obtained through WIN, trade re-adjustment assistance, JTPA, the Veterans Administration or vocational rehabilitation. In others it was through a purely private arrangement between the person and a for-profit firm.

(Early analysis indicates that inadequate training is not as great a problem in San Antonio, where respondents' basic skills and English proficiency were generally so low that they could not even take advantage of training if it were available; or in rural North Carolina, where low wage jobs are the main option, even for those who have training.)

In Washington, the greatest desire was for a higher level skill training. Respondents, some of whom had been through multiple training programs, also mentioned the need for updated equipment, more hands-on experience or a sequential extension of the basics they had received in courses that were too short or too basic.

One such case was a black couple in their 30s with four children. She has epilepsy and he sickle cell anemia. The wife made sacrifices -- bought an expensive medical dictionary, attended classes through the snow while pregnant -- to learn to become a medical transcriber. Such a job would have brought a higher income but the training program was ~~canceled~~ before she could complete it. She then took a typing course but lost the job she obtained because of too many typing errors. Finally, she went back on AFDC in order to get more training and now has a job making

\$150 per week, about 60 percent of poverty for her family of six.

Her husband is now unemployed because his condition prevents him from doing tiring work. He went through extensive training to drive tractor trailer rigs only to learn after completion that he could not get the necessary license because of his sickle cell anemia. He feels that the training program should have informed him that he would have to pass a physical before he embarked on that course. He then went into an architectural drafting course. Although he completed it and enjoys this type of work, the one-year program did not provide sufficient training for an entry level job and the VA job center denied his request for advanced training.

Similar tales of exasperation have come from our survey in Pennsylvania. Many of them, one feels, could be prevented if people got good advice and assistance at the outset and if training programs had strong job development and placement components.

Besides lack of training and education, people we interviewed most frequently mentioned the lack of appropriate child care and the loss of Medicaid coverage as the main obstacles to work outside the home. Both of these are related to the high incidence of illness and disability we found among poor families. Child care not only must be available for infants and for young children after school, but for those who need attention to special health problems. Anyone with children is reluctant to lose the primary care services funded by Medicaid to risk taking a job without major medical insurance. The risk is even greater for those families which already have medical problems.

They are also extremely reluctant to take the risk of a minimum wage-type job. Most of these employers, we are told, will not tolerate absences or tardiness related to childhood emergencies. The small increase in pay compared to welfare benefits hardly makes the shift worthwhile, especially when the jobs teach no new skills or offer no prospect for advancement. "What could I learn to do, flip burgers?" one mother asked us.

Certainly workfare (working off your benefits) does not offer the kind of job that people we interviewed aspire to. "I wouldn't be any better off than I am now, and I would still be on welfare," one woman told us, capturing the reaction of many. Since they do not lead to true independence from the system, such "work relief" approaches should be firmly rejected.

To be fair to all of those who want and need jobs, as well as those who believe they can't and shouldn't be away from home, we should start with a welfare-work system which is open to all

who wish to enter it but compulsory for no one. Our experience with JTPA has made us all wary of "creaming," but it would be difficult to choose the "neediest" among the AFDC population.

David Ellwood's work, as recounted in the recent GAO publication, "Work and Welfare," identifies several factors characteristic of the long-term recipient (black, never married before receiving AFDC, high school drop-out, no recent work experience, entered AFDC at a very young age or when their children were younger than three). Yet, some of these factors have no impact alone, but only in combination, on long-term dependency. In our survey, it seemed that everyone had at least one of these characteristics. The low level of education was particularly pronounced.

Those who want to move into paid work should have available to them a full menu of education, training and support services available meet their individual needs. Assessment must come at the beginning -- from a qualified person who knows the community's employment and training system and the local job market. (From what interviewees told us about the treatment they receive from welfare caseworkers, these would not seem to be the ones to make such assessments. Several accused them of withholding information about resources for jobs and training. Lack of sensitivity on a broader scale has been pervasive at each interview site.)

Finally, any federal legislation should set out performance standards based on the quality, not the number of placements. The degree of net income gain would be one such measure, as would longevity on the job. Furthermore, because service needs are so great among the AFDC population, it would be a mistake to reward states on the basis of achieving placements at low cost. This only encourages creaming, or serving the easiest to serve.

Even with a perfect training system for all AFDC (and potential) recipients, in most places there are not enough jobs available that pay enough or provide the benefits necessary to support a family and assure the availability health care. Ultimately, this situation calls for broad economic measures which are beyond the scope of this hearing. Nevertheless, many of our survey respondents identified macro-economic intervention as the main thing that government could do to help them out their family's financial plight. This has been especially true in the small town outside Pittsburgh, where steelworkers affected by the closing of the massive LTV mill feel that they are already highly skilled, productive workers who simply need a job compatible with their skills. Many have been through re-training, for example to become an automechanic, but cannot even find those kinds of jobs in their ravaged local economy. In San Antonio, the problem seems to be the dominance of low-paying employment in the service sector.

It is, however, within the scope of this committee to devise provisions that will alleviate the economic barriers faced by AFDC recipients moving into low-level employment. And, through the Earned Income Tax Credit, the very low wages of both AFDC recipients and other poor families could be supplemented to at least ensure a level of income equal to 100 percent of poverty.

Specifically, we would urge you to remove the 100-hour rule in AFDC so that two-parent families who work more than 2 1/2 weeks a month, but still have incomes low enough to qualify for AFDC, can receive a small AFDC payment and still remain eligible for Medicaid. Secondly, the AFDC system of disregards should be liberalized so that poor families can keep more of their earnings. Child care and work expense deductions should be indexed so that they reflect the actual costs faced by working families, and child care allowances should be provided for AFDC parents in training and education programs.

Transitional assistance, in the Coalition's view, should not be provided on an arbitrary time-limited basis but on the basis of economic need. This would call for the elimination of the provision terminating the current four-month limit on AFDC earned income disregards. It would also suggest the extension of Medicaid benefits to those who have jobs with no health insurance and insufficient income to purchase their own.

Members of the Coalition encourage the subcommittee to move ahead so that this year we can accomplish as much as we can for poor families. Recognizing the fiscal constraints now upon the Congress, we would hope that any legislation will also officially recognize a clear agenda for the unfinished business which will no doubt remain. We will supply our final survey report to the committee and stand ready to work with you in the months ahead.