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The impact of welfare reform in America

In a country where nearly 7 million children are living in extreme poverty, how can anyone claim that welfare reform has been a success?

“Our current welfare system, which has work requirements, time limits and a large number of regulations, does not provide a family with enough money to meet its most basic needs,” explained Jack Frech, Athens County Job and Family Services director. The Ohio Works First cash assistance program in Ohio provides an average of \$165 a month per recipient, and in nearly half of all cases, the assistance is provided for the children but not the parents.

Athens County Job and Family Services recently completed a report examining the impact that welfare reform has had in America. The report looks at the stated goals of welfare reform and shows how the reforms have affected people living in poverty. The report also includes commentaries from conservative and liberal leaders, poverty statistics, media reports on welfare reform and information on out-of-wedlock births. The report can be found at

<http://jfs.athenscountygovernment.com/WelfareReformHistoryandResults.htm>

America overhauled its welfare system 15 years ago when the Personal Responsibility Act of 1996 was approved. The legislation was a major political issue in the 1990s and received a great deal of media attention. President Bill Clinton had pledged to “end welfare as we know it,” during the 1992 presidential campaign and Republican leaders made welfare reform a key part of the 1996 Contract With America.

Over the years, Republican and Democratic leaders have often hailed the welfare reform bill as a great success. In fact, Ohio Governor John Kasich touted his role in the welfare reform legislation in his 2010 campaign for governor. But while political leaders claim it was a success, the facts show that the most of the main goals of welfare reform were not met. The goals were as follows:

- Assisting needy families so that children can be cared for in their own homes

- Reducing the dependency of needy parents by promoting job preparation, work and marriage
- Preventing out-of-wedlock pregnancies
- Encouraging the formation and maintenance of two-parent families.

One of the biggest myths about welfare reform was that it would reduce the number of out-of-wedlock births. Supporters argued that the welfare system encouraged unwed mothers to have more children, and they said that the reforms would change this. The last 15 years have shown, however, that the changes to the welfare system had no significant impact, as the number of out-of-wedlock births has continued to skyrocket.

In addition, the percent of children who live in two-parent households has declined steadily, the number of children who are homeless is increasing and the number of children who are cared for by their grandparents instead of their parents is also rising.

Many people cite the fact that fewer families and poor children receive cash assistance now than in the 1990s as a sign of a success. But while welfare reform pushed many of these families off of cash assistance, the number of families who rely on government assistance through programs such as Supplemental Nutrition Assistance Program (formerly known as Food Stamps) and Medicaid has increased. These families may not be receiving cash assistance, but they still need help.

In 1996, Ohio Governor John Kasich (who at the time played a key role in welfare reform as a member of the U.S. House of Representatives) said that welfare reform should not be measured by the number of people who are on welfare, but by other factors.

“The mechanical calculation of who’s on welfare and who is not is not the measure of success. I used to have a 100 people but now when I add up the numbers, I have 90. The question is what happened to the 10? It’s not successful if the 10 aren’t going to end up productive,” Kasich said at the “Compassionate Welfare Reform: Empowering Charities and Private Citizens,” conference in December 1996 in Washington, D.C.

Finally, welfare reform did initially provide funding for job training and preparation programs, and these programs were very beneficial. In the recent economic recession, though, state and local governments have greatly reduced or in some cases completely eliminated these programs. One main reason for this is because welfare reform created block grant funding for public assistance programs. The block grant funding has not increased over the last 15 years while costs and demand have increased, so now there is less money available for the programs that are supposed to help lift people out of poverty.

Perhaps the most telling piece of information is that currently in America there are 15 million children living in poverty. Of these children, nearly 7 million are living in extreme poverty, which is classified as living below half of the federal poverty level. For a family of four, this means living on an annual income of less than \$11,025. In Ohio, more than 251,000 children live below half of the poverty level. A large portion of the

children in extreme poverty in America receive benefits through the reformed welfare system, but still struggle to meet their most basic needs of food and shelter.

Ohio only spends about one-third of its \$1.14 billion Temporary Assistance to Needy Families (TANF) budget on cash assistance. The most that a family of three in Ohio can receive in cash assistance is just \$434 per month. Even when combined with the Food Assistance Program benefits in Ohio, the family's income would only be up to about 60% of the Federal Poverty Level.

“Federal welfare legislation needs to be reexamined with the goal of assuring that all families have at least basic food and shelter,” Frech said.