THE NEXT ROUND OF WELFARE REAUTHORIZATION:
How to Assure Child Well-Being while Keeping Welfare Rolls Low

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After three years of impasse, Congress again is trying to reauthorize the welfare reform act of 1996. An impasse should be no surprise, since the 1996 act and recent attempts at reauthorization have raised serious conflicts between two fundamental American principles. On one hand, the public feels a strong responsibility to assure well-being and equal opportunity to every American child; on the other, it wants to discourage welfare dependency and idleness among parents. Every opinion poll in recent years has shown strong support for both goals.

The 1996 act, The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), swung the pendulum further than ever before toward the principle of ending welfare dependency: establishing national work requirements, a five-year lifetime limit on federally-funded welfare, and ending entitlements "for the financial assistance ... to needy dependent children" that originated with the Social Security Act of 1935. The only welfare bill to pass either house in the last two years, the House-passed H.R.4, made only a superficial attempt to resolve the conflicts. While tightening work requirements still more, it paid only lip service to the public's concern for children by declaring, without any substantive changes, that the goal of PRWORA's key block grant would henceforth be "to improve child well-being."

What if Congress actually took this new language seriously? Would it be possible to focus on improving child well-being while still preserving the reductions in welfare rolls?

The answer is yes, but for openers, Congress would need to heed the experience of state PRWORA programs that, despite a fall in both poverty rates and welfare rolls, *half or more of families leaving welfare remain in poverty.* The chief reason is the lack of full-time jobs – a bad situation make worse by the downturn in 2001. According to the Urban Institute, employment among welfare leavers fell to 42%, from an already poor 50% before the recession. Moreover, The Children's Defense Fund notes that the employment rate of single mothers fell in 2004 for the fourth straight year, wiping away nearly a third of the gains registered since 1996. Not surprisingly, child poverty rose to 17.6 percent of all children in 2003, up from 16.2 percent in 2000 – further worsening the highest children's poverty rate in the developed world.

These facts should cause Congress to recognize that H.R.4 — with its ever-tougher work requirements, tighter penalties, and few new resources — could backfire by deepening the poverty of welfare leavers and their children. A bill that truly took "to improve child well-being" seriously would first provide and promote the retention of more above-poverty jobs.

The need for *supplying jobs* — in addition to *demanding work* — has long been well known. As early as 1992, then-candidate Bill Clinton, in arguing to "end welfare as we know it," proposed "After that, those who can work will have to go to work, either by taking a job in the private sector *or through community service*." Yet no program for last-resort jobs was included in PRWORA. Although some communities like San Francisco, Philadelphia, and Forrest City, Ark. developed promising job creation and placement programs — which include crucial services that address employment barriers like ill health, chronically ill children, low job skills, and domestic violence — nationwide coverage is patchy at best.

Not just any job, but an above-poverty job must be the goal. This point was driven home by an unusual public statement signed by 50 top welfare-to-work and child development scholars: "The only welfare reform policies so far proven to improve young children's well-being are those that raise income and promote work by making work pay. Increasing work is not enough." The experts then went on to warn that the key features of H.R. 4 "may be more likely to *injure* children's well-being than to improve it."

Further, a Congress that truly focuses on improving child well-being must address the child care gap. Although federal child care funding was increased substantially under PRWORA, only 14% of federally-eligible children received child care assistance in 2000, according to the Center for Law and Social Policy. Recent state budget cuts have increased the gap even further. An adequate response would require an increase in funds well above the $200 million a year proposed in H.R.4.

After three years of impasse, there are glimmers of a bipartisan approach. Some Senate Republicans and Democrats are discussing adding new child care funds while foreswearing excessive new work requirements. This, at least, could be a start in the right direction.

In the longer term, however, resolving the welfare reform dilemma requires strong measures to increase both quality child care and the supply and retention of above-poverty jobs. Doing so would not only keep welfare rolls low; it would also lift many and perhaps all children from poverty, and would improve their lives. Finally, by providing public above-poverty jobs when private ones are unavailable, Congress would add credibility to a 1996 Act that demanded "personal responsibility" but, despite its title, failed to reconcile that demand with "work opportunity."

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