



# After Welfare Reform

V O I C E S F R O M T H E C O M M U N I T Y



A Collaboration Among Public Policy Institutes  
at the University of Massachusetts Boston

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In the last few years, welfare reform has been proclaimed a success. The media, politicians, social observers, and researchers far removed from the daily lives of low-income families say that these families are better off.

They herald the fact that welfare rolls have decreased, and that families are working. They claim that poverty rates have decreased.

AND YET when we examine the numbers more closely and hear the voices of parents and service providers on the front lines, we find that the poorest families are not better off, and in fact many are faring worse.

# Introduction

Over a two-year period, researchers from the University of Massachusetts, with funding from the U.S. Department of Health and Human Services and the Aspen Institute, conducted two related studies. In the first study, we explored trends in the use of emergency services by Massachusetts families in the post-welfare reform environment, focusing mainly on housing and food services, and examining statewide economic, employment, income, and housing conditions. We also conducted case studies in six communities: Brockton, Greenfield, and the Upper Cape, and in three communities where the focus was on specific racial/ethnic groups: Asians in Lowell, Latinos in Worcester, and Blacks in Roxbury/North Dorchester. In the second study, focusing on the same six communities, we spoke with consumers and providers of emergency services to assess the impact of welfare reform on the non-profit agencies that offer these programs.

In the course of these two studies we talked with more than 100 families who rely on emergency services in order to survive, as well as close to 100

providers who are desperately trying to meet those needs. Overwhelmingly, from community to community, agency leaders, direct service workers, and clients talk about the incredible hardships facing poor families. In undertaking this research and selecting the sites for the case studies, we assumed that the experiences of the participating agencies, their boards, staff, and clients would differ based on geography and the unique social and economic environment in each community. However, despite geographic differences, we found that agencies and families in the varied communities are experiencing similar difficulties. These data were collected when the economy was booming. In light of the current recession, the conditions reported here will only be exacerbated.

In this report, we present the voices of these families and their service providers. The stories of their experiences, their reactions, and comments present a vivid picture of a reality that counters public perceptions of the success of state and federal welfare reform experiments. This brief report presents evidence opposing four popular beliefs about the victories of welfare reform.

# Misperception #1: Low-income families are better off.

**Better off?** Hear the stories of these mothers who are doing their very best.

- I wanted to learn English so that I could work, but my welfare worker wanted me to go to work right away. She sent me to wash toilets.
- Welfare requires that you get a full-time job and then when you need to leave work to get your sick kids, you lose your job. I have been fired from many jobs because I had to leave and get my kids.
- I use the food pantry because there is no food in the house and my welfare gets cut, so there is no extra money to buy food.

These families are not alone. While pundits claim that the lives of low-income families are improved when their reliance on welfare ends, the realities of these families' lives deny this myth. In our previous report on this study, we made the case that despite the now past economic boom, poor families are not doing better and many are worse off. The poorest 40 percent of families have seen virtually no increases in their average income since 1993, while incomes of the top 60 percent have risen by 5 percent.<sup>1</sup> A service provider describes the effect of this disparity on families: "Clients are depressed because they are poor in the midst of images of affluence everywhere. There is a level of frustration because of the booming economy that has not trickled down to the folks who need it the most."

Post welfare reform family poverty rates remain stubbornly high in Massachusetts, around 9 percent for all families and 14 percent for families with children. Black family poverty rates increased to 45 percent in 1997-1999. The percentage of very poor families with children has risen, while Massachusetts poverty rates have hardly budged. Most appalling, close to 18 percent of all children in Massachusetts are poor, and almost one in ten is very poor. Given these conditions of growing inequality, persistent scarcity, and dreadful child poverty in a time of great economic growth, we are particularly fearful about the fate of low-income families during the current recession.

Massachusetts' housing crisis is layered on top of these problems. Nearly two out of five Massachusetts renters cannot meet their non-housing expenses at a minimum level of adequacy after paying their rent. These situations are compounded for families of color and linguistic minorities. Renter households headed by Latinos and Blacks have by far the highest rates of affordability problems. Black and Latino families lag far behind White families in terms of median income levels and poverty rates. Poverty rates for Black and Latino families in 1997-99 were six times higher than those of White families.

This social and economic context poses insurmountable challenges to low-income families. Struggling to survive and improve their life circumstances saps the strength of even the most resilient parents.

## Misperception #2: The best social policy is a job.

The welfare rolls have decreased, and welfare leavers who are now in the workforce are much better off. So say the defenders of welfare reform, and for some families this is true. These are families with a head of household who has marketable skills AND a solid support system for childcare and necessary transportation. Jobs that pay salaries high enough to meet families' needs can also provide structure and stability. However, for most welfare leavers, as well as those who would have sought public assistance in the past, these necessary conditions do not exist.

Hear the voices of some working poor families as they talk about these dilemmas.

- I work, but my income doesn't even begin to cover all of our expenses. I swallowed my pride and went with a friend to her church's food pantry. We go every other week and sometimes I volunteer to help on Sundays.
- My husband works in a nursing home and I work part-time in a day care center. We don't make enough money to pay all of our bills. I'm very angry that between the two of us we can't seem to make it work. Everyone seems to think that it's our fault. That we should be working better jobs. We try, but we need help.

Denied the opportunity for education and training that leads to better job opportunities, these parents are left to struggle. Lacking work skills and with little or no work history, welfare leavers often find that the only jobs available are low paying and without benefits, typically in the service and retail sectors. While average earnings and income from the Earned Income Tax Credit have increased for the poorest families with children, these increases have been completely offset by loss of public assistance.

Working families are faced with work-related costs, such as childcare and transportation. Consumers report the long wait for available, subsidized childcare and the high cost of private care. Given this situation, many families resort to informal care systems, most frequently enlisting the help of family members or friends. As one provider states, "Jobs are so low paying that many

work more than one job and this has caused a childcare problem."

Without the support of welfare and food stamps, these working poor families turn to emergency services to make ends meet. Many of the services we studied report increases in the proportion of working families seeking assistance. For example, in 2000, more than half of Project Bread FoodSource Hotline callers who reported income data were working.<sup>2</sup> One provider reports: "We are seeing these long-term recipients who were forced into low-wage jobs whose company has decided to lay off or downsize their workforce. These people are the first to go. I'm waiting for even more people to show up at our doors for cash, food, and housing assistance."

However, in most cases these services are not designed to meet the needs of an employed population. Typically, agency business hours are during the day when workers are working. As one provider states, "If I tell my boss that I want to take time off to see about getting help. He tells me 'on your own time.' If I don't show up, I might get fired." Many families report similar Catch-22 situations in which they are forced to make untenable tradeoffs, between work and services and sometimes between work and family responsibilities. Parents tell stories of having to send sick children to school rather than risk losing their jobs. These problems are compounded by the lack of coordination of services. As one provider reports, "because of the fragmented nature of the current social-service system, some clients have to go to different agencies for different types of services and this leads to a lot of stress and frustration.

However, despite public perceptions to the contrary, not all low-income parents are able to work, either temporarily or permanently. Physical and mental health problems of family members, inability to communicate in English, and lack of transportation are some reasons that keep parents from working. As a father states, "I lost five jobs in two years because of mental illness of two of my kids." Trying to balance their parenting and

publicly mandated responsibilities also places those families still receiving assistance in Catch-22 situations. A mother with no childcare explains that if she leaves her children alone while she completes the required job search, she risks being charged with child neglect and having her children taken away from her by the Department of Social Services; on the other hand, she

fears that by not completing the job search she will jeopardize her assistance payment.

Working families should not have to rely on emergency services to meet their basic needs. Work alone, without adequate pay and public supports, does not ensure the well-fare of families.

## Misperception #3: Homelessness is solely the result of Massachusetts' housing affordability crisis; welfare reform has nothing to do with it.

In fact, homelessness is the outcome of both high housing costs and lack of income. It is not coincidental that the Commonwealth has experienced unprecedented growth in family homelessness in the past five years, since the implementation of welfare reform. The family shelter population increased by over 500 families in 2000 alone. Currently, the Massachusetts Department of Transitional Assistance reports more than 300 families placed in hotels and motels across the state; the department projects that this daily count will reach 500 by the end of this fiscal year.

While lack of affordable housing is certainly a key factor in this crisis, housing and income support policies are inextricably linked. Families report difficulties securing housing they can afford, even when they are fortunate enough to have a Section 8 voucher. The number of Section 8 vouchers that were turned back by families who were unable to secure housing within the required time period more than tripled between 1996 and 2000. As one provider puts it, "while holding a Section 8 voucher used to be the golden key to housing, people with vouchers now cannot find housing. Many more people are turning to shelters for help."

People do not have adequate income to meet current high rental costs. Even though there has been a downturn in the economy, to date this shift has not been reflected in rentals at the low end of the market. As a result, shelter stays are lengthening; the average Boston homeless family stays in shelter for almost three-quarters of a year. Families in shelter

also have a harder time finding housing they can afford; in 2000, less than half of families leaving shelter were placed in permanent housing.

Homeless families face even harsher Catch-22 situations than housed low-income families. Those who are welfare reliant and lucky enough to get into shelter must comply not only with work requirements and time limits, but also search for permanent housing. They are required to spend time four days a week in this search. In the ultimate no-win situation, homeless families who find work then often find themselves over income for shelter. They are forced to choose between work and housing. As one shelter resident reports, "I was unaware that if my income was over a certain limit, my emergency assistance case would be closed. Two days ago, I found a job and learned that soon I will have no place to live." When they lose their housing, working families must quit their jobs in order to become income eligible for shelter. Ironically, they are then forced to comply with both job and housing search requirements in order to maintain their shelter placement and welfare assistance.

A shelter resident tells us, "I did not realize the extent of the whole homeless situation until I got into a shelter." This sentiment is not uncommon; most people have no idea of the level of family homelessness, and the effect of having no home on children. The burden of meeting all of these obligations while caring for their children and selves places an enormous stress on these families, taking a toll on their physical and emotional well being.

## Misperception #4: Private nonprofits and faith-based organizations are better equipped than government to do the job of meeting people's needs.

According to current views, nonprofits, in particular those associated with religious groups, can better serve low-income people than government. However, the providers we spoke with report that they are unable to do their work without strong local, state, and federal government partners. Characteristically, community-based agencies have a long tradition of responding effectively to the needs of low-income populations. In order to carry out their missions, they rely upon adequate funding. In many cases, a large proportion of this support is in the form of public monies. As these funds have diminished for some programs, demands for service have increased across most. This issue is particularly worrisome in light of the current state budget crisis, in which many human service programs are being cut.

In most cases, community-based agencies do not have the capacity to meet such expanded demand. Half the food assistance providers we surveyed indicate an increase in persons served from 1995 to 2000. Along with these increases, the way people use these services has changed. While the community-based programs we studied provide emergency assistance, people are using them as a routine source of help. With welfare assistance no longer available and increasingly, either no work or jobs that don't pay a living wage, these emergency services are playing a critical role for many families.

In the face of the challenge of greater need, providers are stretched to the limit. Hear their dilemmas.

- Welfare reform has sorted out the easy to rescue crowd. This has left behind a more difficult case-load to work with, requiring more case management time and skills from staff, more referrals, and more support to clients.
- We are providing services but not to the capacity we want to. You can only get so creative to stretch the resources. It's getting tougher as demands are increasing.

- Instead of giving 100 percent effective services, we only give them 20 percent so we can take care of five more families.

Like the consumers they serve, many agency staff report stress and frustration in attempting to meet the needs of low-income families. The commitment to serve is strong. As one provider puts it, "we find it difficult to say we are unable to provide. That is not the kind of people we are. We don't turn people down. Most of us will find a way to provide." Despite commitment and dedication to clients, however, limited resources often force other responses. "I try to minimize having to say no to people, but sometimes you have to say no; there is no money or resources. Having to say no is a tough thing to do," a provider says. Echoing this feeling another participant comments, "it's got to be the hardest thing, turning away someone you know to be in need."

In this stressful environment, agencies report that staff are overworked and underpaid. Salaries for human service workers, particularly those of line staff, have not kept pace with the cost of living. Agency directors describe difficulty in both recruiting for positions and maintaining quality personnel. Many nonprofits also report facing the additional challenge of meeting the needs of linguistic and ethnic minorities. Regardless of their location in the state, agencies are increasingly serving a new client population. Some of these clients are new immigrants; others are migrants from other cities in Massachusetts and/or other states. Few agencies have been able to provide personnel with the needed bilingual capability and cultural competence.

Providing assistance to low-income populations requires adequate resources. While some of these resources can and do come from the private sector, public funding is critical to meeting these needs.

# Policy Recommendations

The pundits and policymakers who have declared victory are wrong; welfare reform has not achieved the goal of family self sufficiency. Poverty has not decreased, work does not pay, homelessness has increased, and nonprofits are struggling to pick up the slack. Welfare reform has exacerbated the daily battle to make ends meet faced by low-income families.

In order to remove these barriers to family economic security, particularly in the face of the current recession and the reauthorization of welfare reform legislation, we recommend the following systemic changes.

- Redesign the system toward the goal of eliminating poverty, rather than decreasing the welfare rolls.
- Use the Massachusetts Family Economic Self-Sufficiency Standard developed by the Women's Educational and Industrial Union as the measure of success. Only families who achieve these pay and support levels will be able to achieve economic security.
- Count education and training toward the work requirement so that families can attain jobs that pay a living wage.
- Eliminate Massachusetts' 24-month time limit policy. Ongoing assistance must be available for those parents who are unable to work, particularly during this recession.
- Improve working families' access to public and private supports by expanding hours and increasing income eligibility limits. Help families trying to leave welfare by reducing benefits more gradually.
- Expand funding for nonprofit emergency service agencies to allow them to better serve all low-income families in need of assistance.
- Increase the stock of affordable housing.

<sup>1</sup> Unless otherwise noted, all statistics presented in this report derive from Friedman, D., Albelda, R., Werby, E., Kahan, M. (2001). [After Welfare Reform: Trends in Poverty and Emergency Service Use in Massachusetts](#). Boston, MA: University of Massachusetts Boston, McCormack Institute, Center for Social Policy.

<sup>2</sup> Project Bread's November 2001 report, [Feeding Our Children: A Project Bread Report on Hunger in Massachusetts](#), indicates that the number of FoodSource Hotline callers referred to emergency food providers in October 2001 more than doubled that from the previous year.

# Advisory Committee

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## About the University of Massachusetts Boston

The University of Massachusetts Boston is a richly diverse community that prides itself on excellence in teaching, scholarship, research, and public service. Through its five colleges—the College of Arts and Sciences, the College of Management, the College of Nursing and Health Sciences, the College of Public and Community Service, and the Graduate College of Education—UMass Boston offers undergraduate and graduate study in more than 150 fields, and awards the PhD, the EdD, the CAGS, the MA, MBA, MEd, MS, BA, and BS degrees, and several graduate certificates. UMass Boston also sponsors a wide range of corporate and professional training programs, and serves greater Boston and the Northeast through research conducted by research institutes and individual faculty members in many areas of vital importance to public policy and urban life.

## About the Center for Social Policy

The Center for Social Policy is an applied research and technical assistance center within the John W. McCormack Institute of Public Affairs at the University of Massachusetts Boston. Center staff engage in research, program evaluation, consultation, and educational activities designed to inform the local, state, and federal social policies that most directly affect the lives of low-income people in Massachusetts and across the country. The center works to realize this vision through active engagement both with policymakers and with members of the affected communities.

