

CHANGING THE POVERTY CULTURE

WHY THE WELFARE SYSTEM DOESN'T HELP

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American Dream, the 2004 book by New York Times reporter Jason DeParle, tells two stories. One is the story of welfare reform as a political issue, both nationally and in Wisconsin. That story has been told before, by journalists, professors, and think tank researchers (including your author). *American Dream* does an adequate job covering this familiar terrain. The book distinguishes itself, however, in its telling of the second story—that of the daily lives of three poor, black, single mothers in Milwaukee, with thirteen children between them.

For those interested in public policy, the second story is particularly illuminating when the lives of Angie, Jewell, and Opal intersect with Wisconsin's welfare system. Yet, even if it provided no insights into welfare policy (which it does), the book would still be invaluable for its depiction of the cultural, cognitive, and behavioral anchors that drag down poor families—particularly poor, black families.

Bad Influences

Ghetto culture is the backdrop to everything that happens in *American Dream*. That culture constrains choices and opportunities,



poses constant risks, and warps incentives. As an example, the men who pass through the lives of Angie, Jewell, and Opal comprise a rogue's gallery of users, dealers, cheaters, pimps, thugs, hustlers, drunks, slackers, and hotheads. Some behave better than others, and most have occasional good moments. But the reader will search *American*

Dream in vain for a man who: a) works full-time in a non-criminal enterprise; b) drinks responsibly and does not use drugs; c) is not in prison or at serious risk of going; and d) has the temperament to be a good husband and father.

In the ghetto, furthermore, there is *always* someone around to tell Angie, Jewell, and Opal that work is for suckers; or sell them a cheap hit of crack; or instigate a violent argument; or steal their cash or food stamps; or become a permanent "guest" in their home; or invite them to a late-night party; or teach them how to get money from the welfare system while doing nothing in return. On the other hand, there is virtually no one available to

This essay on American Dream by New York Times reporter Jason DeParle (Viking Adult: 2004) was written by David Dodenhoff, a visiting fellow at the Institute.

model and encourage—let alone insist upon—appropriate behavior. People of that sort tend to leave the ghetto as soon as they are able.

Bad Decisions

Clearly, if one could magically transport the three women in *American Dream* from the ghetto to, say, Whitefish Bay, their life chances would improve. Ghetto culture, though, is not the only thing separating Angie, Jewell, and Opal from a middle-class existence. On the contrary, the three women make one self-defeating choice after another. Some of these choices come early in their lives—dropping out of high school, for example, or becoming pregnant as a teenager—and so deserve a measure of understanding. But the three continue to make poor choices as adult women. For example:

- Opal, who is addicted to crack and can barely support herself, let alone others, has six babies during the course of the book. Also, during one of her rare stints of employment, she uses her position as a cashier at Target to skim money from the till and help friends steal merchandise. She is caught, arrested, and fired.
- Angie cannot establish a steady work history because she gets and then quickly quits job after job after job. Furthermore, having no diploma, no husband, and a spotty work record, she nonetheless brings four children into the world between her 17th and 27th birthdays.
- Jewell gets, but then loses, a “job for life” at the Post Office, worth \$11 per hour, plus health insurance, plus paid vacations. (For an entry-level worker with no diploma, this is Fat City.) Why? The Post Office discovers that a few months before she was hired, she and a friend attempted to steal \$800 worth of clothing from a Target store (with assistance from the infamous Opal).

In lives with little margin for error, these are very big mistakes.

Bad Policy

It would take a truly heroic, unprecedented public policy to save Angie, Jewell, and Opal from the perils of ghetto culture and the consequences of their own decision-making. DeParle makes it clear that Wisconsin Works is not such a policy. In fact, *American Dream* is sharply critical of W-2 and its predecessor reforms.

It is not so much that former Governor Tommy Thompson’s initiatives are ill-conceived. It is, rather, that they are so poorly executed. DeParle notes the significant case management requirements for W-2 agency staff. They must: maintain frequent contact with clients, double-check clients’ self-reports on job search activities and income from work, monitor attendance and performance at various program modules, try to motivate clients when they are not making progress through the program, and apply the right mix of toughness and caring. W-2, though, is not staffed top to bottom with bright, self-motivated, creative, flexible, and dedicated social workers. Instead, DeParle notes that many of the W-2 agency staff were hired from the pre-W-2 system, when welfare—even welfare in reform-minded Wisconsin—was primarily about writing checks. Under that system, the skills required of a caseworker were not so different from those required of a postal clerk. Thus, the new system is full of undistinguished bureaucrats trying to learn social work on the fly. The end result, as depicted by DeParle, is “a scandalous absence of casework:” agency staff are often uncertain, and even unconcerned, about where their client families are and what they are doing.

The CARES computer system, which purports to track client participation in W-2, doesn’t handle that kind of uncertainty well; caseworkers have to enter *something*. Accordingly, CARES is described by one insider as “a fantasyland” — full of tidy-looking data entries, capable of generating reams of administrative reports, but wholly unreliable as to the whereabouts and

activities of program participants. Sometimes, the system issues W-2 checks when it should not—when participants are working full-time, for example, or when they have repeatedly violated program rules. (Opal, for one, receives \$11,000 in cash and food stamps one year, and freely admits, “I didn’t do nothing. They just sent it.”) Other times, the system sanctions participants (cuts their benefits), though they have complied with all program requirements. Angie, for example, is sanctioned for skipping a scheduled meeting with her caseworker—even though the caseworker skips the meeting, too, because she is on a leave of absence.

These mistakes are more than just technological or administrative glitches. They represent a severing of the connection between action and consequence that is supposed to be at the heart of W-2—or any successful welfare program.

DeParle also devotes some needed attention to the “black box” of W-2, namely, the substance and content of program activities. His description of job orientation and training reads more like satire than the actual practice of social work. He describes one orientation seminar at which an obviously clueless job counselor tries to interest his charges in different kinds of work:

Mathematics: reading graphs and stuff like that—it gets real deep when it comes to mathematics. . . . *Agriculture:* that thing with cows gets real deep—giving them those hormones? . . . *Social studies:* like socialization, only you studying it. . . . *Forestry:* why don’t we see any more wolves? Somebody eating them? (p. 197)

Opal experiences such folly first-hand. At one session, she is asked to complete a career aptitude test. Among other things, it inquires about her interest in “studying ruins” and “growing grain”—popular career choices in

Egypt, perhaps, but not inner-city Milwaukee. Opal attends a separate class in which the session leader pronounces herself unqualified to teach: “It’s kind of hard for me. They just kind of threw me into this” (p. 197). Subsequently, Opal turns in job search logs indicating that she has applied for 240 jobs over the course of three months—about 20 per week—and has not received a single offer. One might expect a caseworker to question Opal about so implausible a result, or to ask, for example, why she applied six times at the same Taco Bell. One would be wrong. “They don’t check,” Opal tells DeParle, “come on” (p. 205).

Is It Really All That Bad?

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Fortunately, things are not as grim as they might seem from *American Dream*. In Angie, Jewell, and Opal, DeParle has found women who are among the most challenging for the welfare system—high-school drop-outs (except Opal), never-married, long-term recipients of public aid, with large numbers of children, with criminal records, and with families beset by assorted substance abuse problems,

learning disabilities, and health issues. This “tangle of pathology,” to use Daniel Patrick Moynihan’s famous phrase, describes some welfare families. There are other families, though, with only one or two children, with a household head who has graduated high school (or even college), and who is on welfare temporarily—perhaps as the result of a recent divorce, job loss, or short-term illness. The public assistance system has to deal with both kinds of families. It typically does much better with the latter than the former.

Furthermore, DeParle acknowledges that if one looks in the right places, there are examples of success under W-2, of good social work, of caring and committed agency workers, of

lives changed for the better. He is obviously taken aback, though, by the instances of administrative incompetence and neglect he finds. He should be; the lives of the poor are fragile enough without the welfare system adding to their problems. Yet, the book does not present a balanced, measured assessment of the administrative strengths and weaknesses of W-2. It is instead a piece of advocacy—albeit a good one—that focuses on program failings, both routine and egregious.

This focus on failure is consistent with what DeParle admits was his early bias about welfare reform: “I thought the harshness of the low-wage economy and the turmoil of poor people’s lives required a federal safety net, not one torn by arbitrary time limits and handed to the states” (p. 15). To his credit, though, he acknowledges that welfare reform worked better than expected.

To my relief, the first years brought reassurance: more work, less welfare, falling poverty rates. No signs of children “sleeping on grates,” as Senator Daniel Patrick Moynihan had famously warned. Surely the vibrant economy helped, and tougher tests awaited. Still, after years on the poverty beat, there was something truly exotic to report: good news (p. 15).

The good news for DeParle, though, was not that things had gotten much better for poor mothers and their children as a result of reform. Welfare reform, after all, is social policy, and study after study over the past 40 years shows that even good social policy tends to improve lives only at the margins. DeParle knows this. The good news for him, therefore, was that welfare reform hadn’t made matters worse.

Concluding Thoughts

Many readers of this journal will never enter the world described in *American Dream*, or will do so only occasionally, briefly, and on their own terms. For such readers, Jason DeParle has provided an invaluable service. He has made accessible the life stories of poor, black, fatherless families in Milwaukee’s low-income neighborhoods. He tells these stories in

respectful and sympathetic terms, but also honest and unflinching ones. Though he sometimes offers excuses for Angie, Jewell, and Opal, he is primarily interested in providing explanations—explanations for how they ended up where they are, and why it is so hard for them to escape.

One uncomfortable truth that emerges from *American Dream* is that government simply cannot touch most of the problems that drive long-term welfare users to welfare in the first place. It cannot even promise them a much better life if they somehow manage to leave it—which they all will eventually, now that a five-year lifetime limit on welfare is in place. As DeParle points out, leaving welfare and taking a job adds expenses to the family budget: clothing, transportation, payroll taxes, and child care, among others. The family may also lose part or all of its food stamp and health care benefits in the move from welfare to work. Netting out these losses, even a family that ends up with more disposable income is a long way from the suburbs and a white picket fence.

To illustrate, full-time, year-round work at eight dollars an hour brings in \$16,640. For a family with one parent and two children, state and federal wage subsidies add another \$5,000 or so.

Food stamps might add another \$2,500. This makes a grand total of about \$24,000 per year for a family of three. That is well above the poverty line, which is about \$16,000 for a three-person family. But at \$24,000 per year before taxes and expenses, life is still chaotic, and families remain vulnerable.

The federal and state governments could, of course, rectify this situation. They could adopt laws to provide more generous wage subsidies and universal health care coverage; to reduce payroll taxes for low-income workers; to pay child support when absentee fathers fail to do so; and to fully cover the costs of child care for the working poor or near-poor. Government *could* do these things, but fiscal and political realities being what they are, it will not. What it *can* do is create a welfare system that: a) promotes the ideals of work and

individual responsibility, b) makes work a more attractive option than welfare, and c) takes its own policies seriously enough to administer them in competent fashion. A fair reading of *American Dream* is that under W-2, Wisconsin has accomplished the first two of these objectives, but has a long way to go on the third.