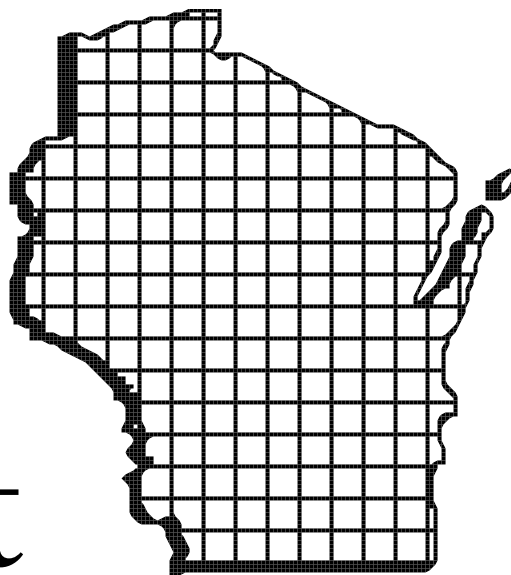


Wisconsin

Policy
Research
Institute
Report



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**THE NEW
PATERNALISM
IN ACTION**

Welfare Reform in Wisconsin

REPORT FROM THE PRESIDENT:

Lawrence Mead is the Weinberg Visiting Professor at the Woodrow Wilson School of Public and International Affairs at Princeton University. He is considered one of the leading academic experts in the United States on welfare reform. He has written numerous scholarly articles and books analyzing our current welfare system.

Professor Mead has been a fellow at the Institute for the last year. This particular report will clearly have a major impact not only on welfare reform in Wisconsin, but also across the country. Dr. Mead has taken his years of experience and added recent research on current welfare programs in Wisconsin, including some important statistical analyses, and has drawn some very dramatic conclusions.

His main view is that welfare reform should emphasize close supervision of work programs for AFDC recipients. He believes that Wisconsin is now the beacon in the United States for welfare reform. He examined many of our programs and found specifically that the state's management of the Jobs Opportunities and Basic Skills Training Program is one of the major reasons why Wisconsin is the only northern state to drop its welfare caseloads during the last several years. He believes that some of Wisconsin's welfare experiments should be seriously viewed as real potential solutions to the current welfare mess.

Many may disagree with some of Professor Mead's findings, but if you read his report, you will be hard pressed to find a better short-term solution.

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THE WISCONSIN POLICY RESEARCH INSTITUTE, INC.

3107 North Shepard Avenue
Milwaukee, WI 53211
(414) 963-0600

THE NEW PATERNALISM IN ACTION

Welfare Reform in Wisconsin

LAWRENCE M. MEAD, PH.D.

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PREFACE

This paper is a study of welfare reform in Wisconsin and the nation. America is again girding to reform welfare at the federal level, an effort it has made regularly for over thirty years. In the past, reform largely meant implementing ever-tougher requirements that adults on welfare work in return for support. The new effort, led by the new Republican majority in Congress, while it includes tougher work tests, focuses mostly on curbing eligibility for young, unmarried mothers, limiting the time recipients can draw support, and devolving more control to states.¹

These proposals have much to recommend them. They are truly radical, and welfare needs radical change. However, the new approach may ignore what past efforts have achieved. In this study, I hope to show that the potential of an administrative style of reform, such as requiring work, is much greater than commonly realized. Specifically, I will demonstrate that:

1. Tougher work requirements can slow the growth in welfare, as well as raise work levels on welfare. Effective work programs appear to be the main reason why Wisconsin has cut dependency in recent years, despite a national recession and generous welfare grants.
2. Effective reform depends on a paternalist administrative style that affords support, but enforces work and other mores through close supervision of welfare adults.
3. Public managers and national policymakers can promote this style in welfare-reform programs nationwide. At bottom, reform is an administrative problem. The main impediment to it is a political culture impatient with bureaucratic development.

I focus mainly on Wisconsin. The state is an exemplar that shows the potential for an enforcement approach to reform. It is the only state outside the deep South to have reduced its welfare rolls in recent years, a period when most of the country suffered large increases. It is also a hive of innovation in antipoverty policy, with initiatives coming from the state government and also from many counties and private groups.

From the many experiments going on in the state, not only in welfare employment, one can discern a paternalist model for reform. The way forward in welfare appears to be to combine aid to the needy with strict requirements that they must fulfill, and to enforce these with case managers who monitor welfare adults closely. Such a vision can sound oppressive to a nation dedicated to freedom. Wisconsin suggests what it would mean in practice. There, the most effective counties already have the great majority of their recipients assigned to meaningful tasks. The result is not tyranny, but improved functioning and a more integrated society.

Part 1 establishes the first of my three points above. Over the last thirty years, welfare has changed from a liberal to a conservative issue. Reformers now seek mainly to change welfare itself, not reform the society. The welfare rolls have lately grown rapidly, driven by serious family and work problems among the poor, plus the recent recession. Few realize, however, that a force on the other side has been the latest set of welfare work requirements, which were implemented over the same period. States vary in how many recipients they have involved in work programs, and that factor compares favorably with others in explaining differences in welfare growth around the nation.

Tough work programs appear to have reduced welfare in Wisconsin. The state's achievement reflects special political and institutional assets — a reforming governor, innovation in many localities, a

tradition of leadership in social policy, limited political divisions, a supportive political culture, and exemplary local government. If welfare reform is a task for government, no state begins with stronger institutions than Wisconsin.

Part 2 looks more closely at how the state produces its results. I examine three reform programs — the Job Opportunities and Basic Skills Training program, or JOBS, which is now the national work program in welfare, plus school-attendance and child-support programs specific to Wisconsin. I rely on field interviewing of program administrators at the state level and in six counties plus, in the case of JOBS, an analysis of program data for all counties. Both approaches allow me to identify which of the six counties perform best (although all are probably high-performing by national standards) and why. A paternalist image of successful reform is confirmed. The best counties in JOBS are those which insist most firmly that recipients participate and work, and which back this up with effective oversight. Much the same dynamic appears to operate in the other programs, although data on them is limited.

Part 3 draws implications for the nation. The supervision of recipients through case management appears to be an underused strategy in welfare administration. Clients respond favorably, in attitude as well as behavior, when program staff expect them to observe requirements such as working or staying in school. More generally, paternalist programs that combine aid and requirements seem the most constructive route toward reform, although they also have important limitations. Public managers should see their task in welfare as governing the dependent and not, as policy analysts usually present it, as allocating resources. To govern well requires improved bureaucracy and monitoring systems that not even Wisconsin has developed.

National policymakers can help by changing welfare law to permit more demanding work programs and improving welfare administration. Reforming welfare may save money on balance, but it requires more bureaucracy rather than less. While paternalist reform is popular with the public, it is hard to justify to partisan leaders preoccupied with changing the scale of government.

I owe a great debt to many officials of the Department of Health and Social Services in Wisconsin. Secretary Gerald Whitburn welcomed my research. Jason Turner, employment and training manager for the department, helped organize my fieldwork. Most of all, Joanne Rowe answered endless queries about the JOBS data I used for my analyses, and John McPeck produced special computer runs to provide me demographic data on JOBS clients on a county basis. A great many managers and staff at the county level took time to answer my questions.

I also am indebted to Jim Miller and the Wisconsin Policy Research Institute (WPRI), which funded this project. Jim gave me what every researcher longs for — resources and a free hand. WPRI has done much to introduce new ideas about policy into Wisconsin. In this instance, it is helping me publicize something the state is already doing well. In welfare, Wisconsin is a beacon to the nation.

Not everyone will agree with my conclusions. It is important to stress that they represent my opinion solely, not those of the Thompson administration, the Department of Health and Social Services, or WPRI. I have had no input from anybody in or out of Wisconsin about how to write this report.

LIST OF ACRONYMS

AFDC	Aid to Families with Dependent Children.
DHSS	Department of Health and Social Services, State of Wisconsin.
FSA	Family Support Act of 1988.
FTR	Failure to report (nonattendance in JOBS).
GAIN	Greater Avenues for Independence Program, California.
IRP	Institute for Research on Poverty at the University of Wisconsin-Madison.
JOBS	Job Opportunities and Basic Skills Training Program.
MDRC	Manpower Demonstration Research Corporation.
PFC	Parents' Fair Share, a child-support demonstration.
PIC	Private Industry Council, runs Job Training Partnership Act.
SSI	Supplemental Security Income, a disability program.
WIN	Work Incentive Program, predecessor of JOBS.
WPRI	Wisconsin Policy Research Institute.

PART 1: HOW WELFARE GROWS — BUT NOT IN WISCONSIN

Background to Reform

When people speak of reforming “welfare,” they usually mean Aid to Families with Dependent Children (AFDC) — the major cash aid program for needy families, most of them female-headed — which is financed by both federal and local monies. The program first grew rapidly in the 1960s and early 1970s, and it was in that period that welfare first became an important national issue.

Defenders of the program point out that two-thirds of AFDC recipients are children, but the controversy has never involved them. Rather, it is about welfare adults — the single mothers who draw aid and also the fathers of their families, who have usually left them and are not officially on welfare. The controversy, furthermore, is mostly about the long-term recipients, those who stay on welfare more than about two years at a stretch. That means about half of those who ever begin a spell of welfare, and a majority of those on the rolls at a given time.² The public would like welfare to provide a brief respite to people who, through divorce or joblessness, have fallen on hard times; it is dismayed to find that, for many, dependency has become a way of life.

While analysts tend to depict dependency as visited on people by impersonal forces, it mostly results from family breakup and nonwork. Families become poor and go on welfare because parents have children out of wedlock and do not work to support them. Unmarried mothers used to be the exception on welfare but have become the rule. In 1992, 53 percent of AFDC mothers had never been married, a rate far surpassing that in the population. And while the vast majority of American adults are employed, only 6 percent of AFDC mothers reported working when surveyed in 1992.³ More than this actually work, many of them “off the books,” according to researchers,⁴ but the level is still well below that for single mothers not on welfare, who avoid dependency largely by working.

These contrasts in lifestyle between the dependent and nondependent drive welfare politics. The chief issue is who is responsible for the differences and what to do about them. Traditionally, liberals said the recipients were driven into dysfunction by an unfair society. Allegedly, many poor adults fail to marry and work because the economy does not offer them jobs at good wages. Conservatives blame the disincentives inherent in welfare, which appear to pay the recipients not to marry or work. While the public opposes illegitimacy, it is ambivalent about combating it because of the required intervention in families, nor have policymakers found any means to prevent it. Accordingly, the main welfare debate has been about employment: why do welfare adults seldom work consistently, and what can be done to make them do so?

In the 1960s and 1970s, welfare was a liberal issue. Most experts wanted to expand welfare to cover more people and to raise welfare benefits, which are determined by states, in order to combat poverty. They asserted that the work problem could be solved by social reforms to overcome “barriers” to the poor: forbid racial discrimination (since most welfare recipients are nonwhite), create more employment for the low-skilled, if necessary through government jobs, and raise wages through education and training programs for the low-skilled. Overcome the disincentives in welfare through work incentives (allowing recipients who worked to have only part of their earnings deducted from their grants) and extend welfare eligibility to two-parent families, so that parents would not have to split up to get aid. Presidents Richard Nixon and Jimmy Carter proposed plans to reform welfare along these lines.

Liberal reform failed. Government undertook the suggested policies, and while they did much

good, they did not reverse the trends toward female-headedness and nonwork at the bottom of society. The Nixon and Carter reform plans were defeated in Congress. Most members did not believe that work incentives were enough to cause welfare adults to work, and they balked at the cost of wider welfare. They probably would have accepted the expense if the plans had seriously enforced work, but this liberals rejected.⁵

By the middle 1970s, a conservative brand of reform took hold. As a condition of welfare funding, Congress required states to crack down on “fraud and abuse” (ineligible recipients and overpaid benefits) and required more absent fathers to contribute to their families’ support. Most important, starting in 1967, it required states to institute an employment program alongside AFDC designed to put recipients to work, then called the Work Incentive (WIN) program. Adult recipients who did not have to care for young children and were otherwise employable were supposed to be referred to WIN, where they could be made to participate on pain of reductions in their grants.

At first, most recipients had to do little more than register with WIN, but over time, the requirements became more stringent. Congress lowered the age of youngest child at which a welfare mother became employable, and it raised the share of the employable clients whom states had to involve actively in their programs. The last important welfare legislation, the Family Support Act (FSA) of 1988, lowered the age from 6 to 3 and raised participation rates so that involvement in work programs began to touch the bulk of the employable. FSA also recast WIN as the Job Opportunities and Basic Skills Training program, or JOBS.

Welfare reform turned conservative, first, because national politics did.⁶ A nation that elected Republicans to the White House most of the time starting in 1968 was unready to guarantee income to people or ignore the conduct issues raised by many welfare adults. Indeed, concern over social disorders linked to poverty — crime, drug addiction, and declining schools, as well as welfare — was a major force driving the conservative tide in recent presidential contests and in the midterm election of 1994, in which the GOP took control of Congress for the first time in forty years.

Second, voluntary approaches to the poverty program failed. Experience did not show that merely to expand opportunity for the low-skilled solved the work problem. Antibias policies did a lot to advance the black middle class, in which adults work hard, but not the welfare class, where steady labor is uncommon. Voluntary skills programs did little to help the poor get better jobs, and less to make them work steadily in jobs they could already get. Public jobs programs of the 1970s also achieved little, yet were costly and scandal-prone. Work incentives in welfare had remarkably little effect on work levels, so those on the books were largely dismantled by President Ronald Reagan.

Third and probably most important, the evidence that “barriers” have much to do with the work problem proved weak. Discrimination cannot be the main reason for nonwork among blacks, since most inner-city youth say they can find jobs, albeit at low wages. William Julius Wilson and his allies say economic trends have made jobs unavailable in the inner city,⁷ but research suggests that jobs usually are available, at least to those seeking them at a given time. Nor is it usually true, as activists claim, that welfare mothers cannot work because child care is costly or unavailable. Opportunity remains unequal in the sense that people coming from weak families and educations get worse jobs than the more fortunate *if they work*. The opportunity structure, however, has little to do with *whether one works regularly at some job*, and it is lack of all steady employment that chiefly accounts for poverty and welfare today.⁸

Such evidence freed reform to concentrate on the welfare system, without changing the wider society. Even in Democratic reform plans, talk of guaranteeing income or expanding welfare has faded

away, and the concentration is on changing the system so that more recipients work. President Bill Clinton's current welfare plan mandates work for recipients who stay on the rolls more than two years, if necessary through public jobs, a proposal no president would have contemplated thirty years ago. The plan of House Republicans also enforces work more toughly, alongside trimming eligibility for welfare.

The current approach does not, of course, achieve all the goals of the earlier, liberal plans. It does not address family poverty directly. To the extent families subsist on welfare alone, the only way to raise incomes is to raise benefits, or provide some other payment. Conservative reform can raise incomes only if it in fact causes more recipients to go to work. Even then, some families would remain poor due to low wages.⁹ The working poor, however, are considerably outnumbered by the nonworking. Raising working hours, not wages, is the main solution to poverty.

Another fact sustaining the conservative approach is that recent welfare employment programs look effective. Studies of several programs by the Manpower Demonstration Research Corporation (MDRC) show that they usually raise the employment levels and earnings of recipients, although usually not by enough to get many off welfare or out of poverty.¹⁰ The effects on activity are considerably larger. Recipients subject to the programs undertake efforts to help themselves of some kind — work, education, or training — at least twice as often as those not subject.¹¹

Past research says something about how to optimize these programs. Maximizing participation is paramount. The more recipients who are required to join the programs, the more go to work, even controlling for the employability of the clients and the local labor market.¹² To raise participation enough, work programs must be mandatory, not voluntary. Programs with broader goals, such as improving education or parenting skills, also must be mandatory.¹³ Less clearly, programs that stress actual work by recipients outperform those that stress education or training, in hopes that clients can get better jobs later.¹⁴ The reason probably is that most welfare adults have done too poorly in school to be good at expanding their human capital through learning apart from work. For them, the best way forward is simply to put in more hours at the low-paid jobs they can already get.

Welfare employment forms the germ of an emerging approach to poverty oriented to enforcement or paternalism. By enforcement, I mean any use of public authority to achieve compliance with values, such as the work ethic or law-abidingness, that are not themselves controversial. By paternalism, I mean an approach to enforcement that attempts to couple benefits and obligations, to require that the dependent comply with norms as a condition of aid. Whereas the police enforce the traffic laws on speeders without giving them anything in return, welfare employment programs enforce work on welfare adults *in return* for support. The governing idea is reciprocity or social contract: government should help people, not on the basis of entitlement, or need alone, but only if they become “deserving” by fulfilling essential civilities.¹⁵

Paternalism is conservative in the sense that it enforces values, but liberal in that it assigns an important role to government. It places major new demands on the bureaucracy, which must now govern behavior as well as distributing money or services. Little is known about how to do that. The main purpose of my Wisconsin project was to find out more. It may be clear that participation in welfare work programs raises work levels, but what specific administrative practices do the trick? The state also offered the chance to study paternalism in programs other than welfare employment, to see if the model might be more broadly applicable.

The JOBS Program and Caseload Growth

The welfare issue was sharpened in recent years by a sudden spurt in dependency. The national AFDC rolls changed little for fifteen years after the “welfare boom” of the late 1960s and early 1970s. But between 1989 and 1993, they grew from 10.2 to 14.1 million people, a jump of 29 percent. State caseloads soared by an average of 35 percent, and by as much as 131 percent.¹⁶

Wisconsin’s caseload, however, fell by 3 percent. Only two other states had decreases at all, Mississippi of 4 percent and Louisiana of 5 percent. Both these, however, are Southern states with a limited tradition of helping the poor and very low benefits. The two pay an AFDC family of three with no other income only \$120 and \$190 a month, respectively, the lowest and fifth-lowest figures in the nation. Wisconsin is more typical of the states where most Americans live. It is Northern, affluent, and generous. It currently pays the same AFDC family \$517 a month, the twelfth-highest figure in the nation. That is reason enough to expect dependency to rise. Many people in Wisconsin think that the state is a “welfare magnet,” that recipients move there from nearby Chicago, where the benefits are lower. Illinois, however, absorbed a 9 percent growth in AFDC between 1989 and 1993.¹⁷ Other urban, industrial states suffered a similar fate.¹⁸ How did Wisconsin escape?

We typically assume that welfare dynamics are driven by social and economic forces. Most people would blame the welfare surge on the ongoing tide of family dissolution sweeping America, which runs strongest among the poor. They would also cite the recession of the late 1980s and early 1990s, since hard times throw many families out of work and onto assistance, at least temporarily. As I will show below, these were indeed causes.

But something else going on in these years was the implementation of the JOBS program. As mentioned already, JOBS required that states involve rising shares of their employable recipients in work activities. The Family Support Act mandated that the participation rate of the employable, or “mandatory,” clients in JOBS rise from a minimum of 7 percent on a monthly basis in 1990 to 20 percent by 1995. States that failed in this would suffer reduced federal welfare funding. While 20 percent a month may sound low, that figure translates into half or more in the course of a year, due to rapid turnover on the rolls — much higher than under prior law.¹⁹

During this period, the implementation of JOBS was the strongest policy-related force acting on the welfare system. It apparently had an effect, at least on the relative performance of states. Chart 1 on the next page relates the change in caseload for a state during 1989-1993 to the proportion of welfare adults in that state participating in JOBS in 1993. The correlation is sizable and negative, $-.36$. This is what one would expect if JOBS, as intended, causes more poor adults to get jobs, so that they either leave welfare faster or never go on it. One reason why Wisconsin avoided growing welfare probably was that it implemented JOBS well, although its share of adults participating was well below that of some other states.

Of course, many forces determine how caseloads move. Table 1, also on the next page, lists a number of potential influences and their correlation with the percent of caseload change. The highest figure is for average size of welfare case. This probably reflects the force of illegitimacy, since unwed pregnancy, especially among teen mothers, has the effect of bringing a lot of new families onto the rolls with only one or two children. The weak negative association between share of caseload black and growth is unexpected. Many people would associate burgeoning welfare with the heavily black caseloads of the inner city. But growth has, if anything, been faster in states where welfare is more white — or Hispanic. The influence of change in unemployment is unsurprising, with higher joblessness in a

CHART 1 Percent Change in Welfare, 1989-1993, versus
Percent of Welfare Adults Active in JOBS, 1993

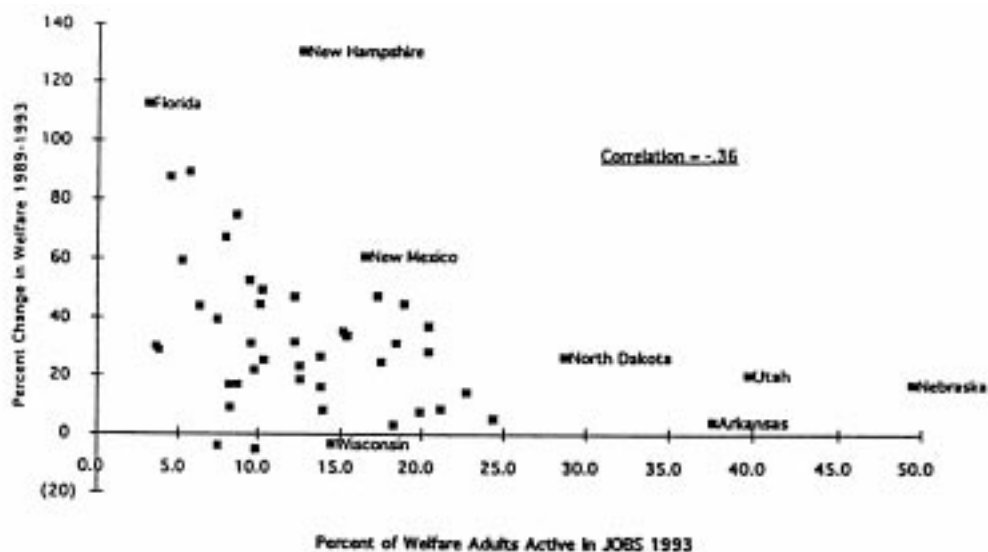


TABLE 1 Bivariate Correlation Between Percent Change in AFDC Caseload, 1989-93,
and Potential Explainers

Percent of welfare adults active in JOBS, 1993:	-0.36
Percent of welfare adults mandatory in JOBS, 1993:	-0.29
Percent of federal JOBS allocation spent:	-0.13
Maximum AFDC grant (family of three), 1993:	.20
Maximum AFDC grant as a percent of 1992 poverty line:	.17
Dollar change in AFDC grant, 1989-1993:	.27
Percent of benefits overpaid, 1991:	.03
Percent of benefits underpaid, 1991:	.03
Percent of cases with unearned income, 1992:	-0.09
Average size of welfare case, 1992:	-0.44
Percent of caseload black, 1989:	-0.14
Percent of caseload Hispanic, 1992:	.23
Change in unemployment rate, 1989-1993:	.40
Percent change in persons employed, 1989-1993:	.23

Note: For precise definition of variables, descriptive statistics, and sources, see appendix.

state associated with higher welfare growth. But percent change in persons employed is positively tied to growth, as one would not expect.

Alongside these social forces, however, participation in JOBS matters. Slower growth is associated with having more adults active in JOBS. Growth is also linked with having more adults classified as mandatory for the program. States have considerable discretion about how many welfare adults they define as employable.²⁰ Some have tried to ease the pressure of JOBS's participation rules by

exempting many recipients as disabled, because then the pool of employables they have to get into JOBS is smaller. But to do this weakens the impact of JOBS on the caseload, and thus allows it to grow faster.

It is commonly believed that lack of funding has weakened JOBS. Many states do not draw down all available federal funding because they cannot afford the matching state share.²¹ The average state spent only 70 percent of its allocation in 1993. The percent of federal JOBS allocation spent indeed shows an inverse relationship with caseload growth, but a weaker one than the terms expressing stringency toward the recipients.

Other policy variables are surprisingly unimportant. The level of welfare grant, its adequacy in relation to the poverty line, and its change during 1989-93 have positive connections to caseload growth, as conservatives might expect, but the correlations are weaker than for the JOBS participation terms. The rate at which a state overpaid or underpaid benefits has almost no link to growth. The rise in welfare in a state is not, then, due to an upsurge of illegality on the rolls, nor would cleaning up claims errors be a solution to it. The percent of cases with unearned income is another measure of accurate claims payment. Much of unearned income is unreported. States that are good at detecting it more often can close cases, so they have slightly lower caseload growth.

Table 2 below shows how these terms together account for caseload growth. The figures come from a multiple regression, a statistical procedure that estimates how much changing the value of any of the explainers would affect the term of interest, here caseload growth, assuming that all the other explainers were held constant at their averages. The coefficients tell how much the level of caseload growth would change, on average, if the level of a particular explainer were changed by one unit. Since the explainers are mostly measured in percentage points, the coefficients tell by how many points caseload growth would change if the explainers rose by one point. The standard errors gauge the likely variability of the coefficients if the analysis were run many times with fresh data. The significance levels show for each explainer the probability that we might get results this strong by chance, assuming there really was no relationship with the term of interest.

TABLE 2 Results from Regression of Change in AFDC Caseload on Key Explainers

Variable	Coefficient	Standard error	Significance
Percent of welfare adults active in JOBS, 1991:	-.892	.327	.009
Change in percent of welfare adults active, 1991-1993:	-.927	.470	.054
Percent of welfare adults mandatory in JOBS, 1993:	-.398	.217	.073
Percent of cases with unearned income, 1992:	-.405	.235	.091
Average size of welfare case, 1992:	-113	25.9	.000
Change in average case size, 1989-1992:	105	34.5	.004
Percent of caseload black, 1989:	-.340	.123	.008
Change in percent of caseload black, 1989-1992:	-1.96	1.10	.081
Change in unemployment rate, 1989-1993:	3.72	2.21	.099
<i>Proportion of variation explained (R²):</i>	.64		

Note: For precise definition of variables, descriptive statistics, and sources, see appendix.

The variables shown in the table were the only ones that were significant at a level of .10 or lower.²² Of these, the average size of welfare case is probably the strongest. The coefficient of 113 suggests that if caseload size rose by one person, caseload growth would have fallen by 113 percentage points — that is, it would have been wiped out. If size rose by a tenth this much, a more likely change, growth would have fallen by 11 points. This effect seems to capture the effect of high illegitimacy, which both raises the rolls and lowers average case size.

At the same time, I was able to add another term for change in caseload size during 1989-93; its coefficient was also large and significant, but positive. Caseload size did not change overall, but it grew most in the states that had the smallest case size at the start of the period and the most caseload growth during it. Apparently, a long-term condition of high illegitimacy and low case size set these states up for a rapid growth in dependency, as mothers already on the rolls had additional children.²³

The results for race and unemployment are as anticipated in Table 1. Caseloads that were more black grew by less recently than those that were less black. Change in the black percentage was even more potent, with each point increase here translating into almost two points less caseload growth. This seems to support Charles Murray's thesis that the underclass is becoming more white.²⁴ Unemployment shows its expected effect, with each point rise translating into about 4 points higher caseload growth.

Alongside these outside forces, however, terms related to welfare administration show substantial power to restrain growth. The strongest reflect the share of welfare adults participating in JOBS. I decomposed the term for percent of adults participating in 1993, from Table 1, into two variables: the share participating in 1991 and the increment between 1991 (the earliest data available) and 1993. Both components are important. Every point rise in either one was associated with nearly a point lower increase in welfare. This implies that states that had high participation early in JOBS, or under WIN, had a leg up on controlling their caseloads, while those that increased participation further after 1991 gained more. A one-point rise in the percent of adults mandatory for JOBS or in the share with unearned income would reduce growth another four-tenths of a point.

Exactly how JOBS has its effect is unclear. Activists charge that work requirements deter needy people from even applying for welfare, but limited evidence suggests that this influence is probably small.²⁵ More likely, if JOBS is demanding, recipients already on welfare leave it more rapidly by going to work. It has been usual to think that the main way mothers leave welfare is to form a household with men able to support them. Some recent research finds, rather, that the mothers going to work is more important.²⁶ Some conservatives even fear that effective work policies might make welfare more attractive, by causing needy adults to see it as a route into employment.

Strictly speaking, these results show only that JOBS helps explain variations in welfare growth across the states. To prove that JOBS restrained growth in AFDC nationwide would take a different analysis, one showing that JOBS changed conditions in the whole national caseload over time. Requirements attached to welfare such as JOBS can apparently reduce unwed childbearing²⁷ — something for which no remedy has seemed available — and this would bring lower dependency. However, the state-level results probably do indicate a national effect, since there is little reason to think that if JOBS controlled welfare in one state, it would grow faster than otherwise in another. Unsettling as the recent welfare boom has been, it would have been worse without JOBS.

One would like to add to this analysis more indicators of social and economic conditions within a state. But the model is quite strong as it is, accounting for nearly two thirds of the variation in growth

around the nation. It is unlikely that a different analysis would eclipse the power of the administrative terms. These are variables that state policymakers have much more control over than they do social forces. They offer the best chance — short of cutting eligibility — of restraining growing dependency. Government has found remarkably few interventions able to influence the lives of the seriously poor. Work enforcement is one of them. It is a lever worth pushing more than we do.

Why Wisconsin Succeeds

A strong JOBS program clearly is one reason why Wisconsin has cut its AFDC rolls. The main challenge all the states have faced since 1989 is simply to implement JOBS so as to meet the participation thresholds in the Family Support Act. In 1993, Wisconsin did not rank notably high among the states — only twentieth — in the percent of all adults involved in JOBS, the participation measure used in Chart 1. Of several measures I tried, this one had the strongest tie to caseload change. But the state ranked tenth on JOBS's official participation measure, which is calculated differently. It was also eleventh in the share of all mandatory recipients who participated at the level required to count as JOBS participants, and twelfth in the share of all welfare adults who did so.²⁸

Table 3 below compares Wisconsin's figures for these four participation measures and also for the explainers of growth from Table 2. The state is at the average or on the favorable side of the great majority of these variables. It does have a fall in the share of welfare adults active in JOBS between 1991 and 1993, but this may be a correction from the very high participation it recorded in 1991 (32 percent — seventh highest nationally). It may also mean that high job placements in the early 1990s depleted JOBS of placeable adults and drove participation down. This also could be why the state's share

TABLE 3 Wisconsin Figures and State Averages on JOBS Participation Measures and Key Explainers of Caseload Change

JOBS Participation Measures	Wisconsin	State average
Percent of welfare adults active in JOBS, 1993:	14.5	14.4
Official JOBS participation rate, 1993:	30.9	23.0
Percent of welfare adults countable for JOBS participation, 1993:	11.8	9.9
Percent of mandatory adults countable for JOBS participation, 1993:	29.3	22.3
Determinants of Caseload Change		
Percent of welfare adults active in JOBS, 1991:	31.7	14.9
Change in percent of welfare adults active, 1991-1993:	-17.2	0.5
Percent of welfare adults mandatory in JOBS, 1993:	40.4	44.4
Percent of cases with unearned income, 1992:	23.7	18.2
Average size of welfare case, 1992:	3.0	2.9
Change in average case size, 1989-1992:	0.0	0.0
Percent of caseload black, 1989:	35.4	32.9
Change in percent of caseload black, 1989-1992:	1.8	1.9
Change in unemployment rate, 1989-1993:	0.3	1.1

Note: For precise definition of variables, descriptive statistics, and sources, see appendix.

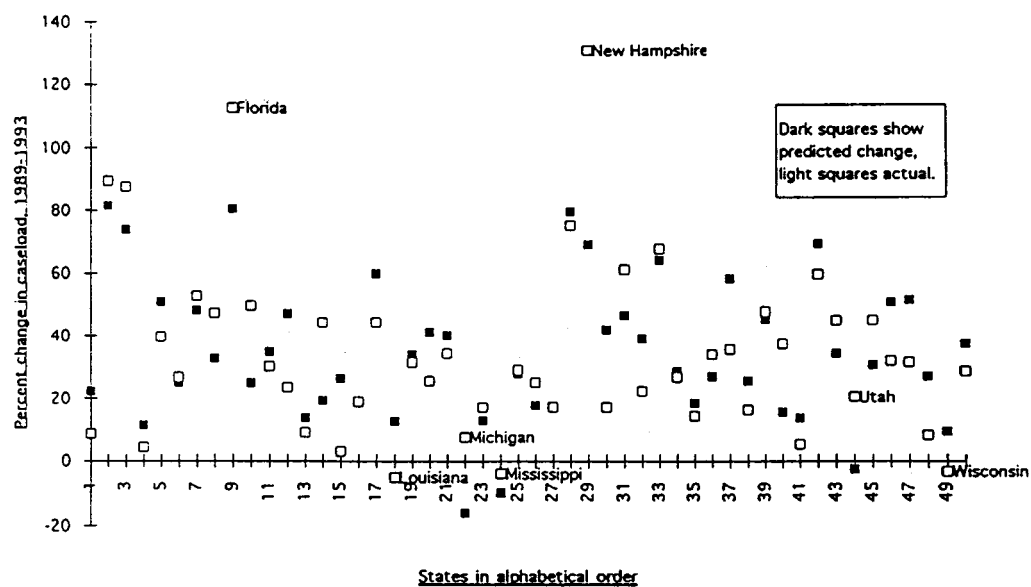
of adults deemed mandatory for JOBS was below average by 1993.²⁸

However, there is still much to explain. The model in Table 2 leaves over a third of the variation in caseload change across the states unaccounted for. Chart 2 below shows for each state the change predicted by that model versus the actual change. The gap between these two figures for a state represents how inaccurate the model was in that instance. Some states are labeled; others may be identified by the key on the next page that associates states with case numbers. The chart shows that Florida and New Hampshire had large unexplained increases in welfare, but most states were well predicted by the model. Michigan and Utah suffered rises in welfare when conditions, at least as captured in the model, should have produced declines. And although Mississippi reduced welfare by 4 points, it was predicted to do so by 10. Only Louisiana and Wisconsin cut welfare when it should have grown. The models predicted that Wisconsin's caseload should have risen by 9 percentage points, when it actually fell by 3. The reason must lie in political and governmental features that lie beyond the measurable.

Wisconsin — A Look Inside

It was partly to assess those factors that I undertook my fieldwork in Wisconsin during the summer of 1994. The state is a leader in welfare reform, not only because its rolls are dropping, but because of the many welfare experiments underway there. In many states, politicians make splashy announcements of plans to change welfare, but most of these never get beyond press releases or bills

CHART 2 Predicted versus Actual Change in AFDC Caseloads, 1989-1993



before legislatures. In Wisconsin, several initiatives have actually been enacted and — even rarer — carried out on the ground. Usually, the experiments are tried out first in a few counties, with a view to working the bugs out and then going statewide.

Most, but not all, of the initiatives stem from the administration of the Republican governor, Tommy Thompson. First elected in 1986, Thompson was reelected in 1990 and 1994 largely on his record as a welfare reformer. His experiments are too many to name. The most important include:

- **Learnfare:** Requires welfare teenagers to stay in school on pain of reductions in their family's welfare. Approved 1987 and implemented statewide 1988.
- **Children First:** Gives absent fathers who owe child support help with working provided they participate steadily or pay their judgments. Approved 1987, implemented 1990 in Racine and Fond du Lac counties.
- **Parental and Family Responsibility Initiative, popularly known as "Bridefare":** Changes welfare rules to strengthen incentives to work and marry and not to have additional children on the rolls. Approved 1992, implemented 1994 in four counties.

KEY TO STATE NAMES

Case No.	State	Case No.	State
1	Alabama	26	Montana
2	Alaska	27	Nebraska
3	Arizona	28	Nevada
4	Arkansas	29	New Hampshire
5	California	30	New Jersey
6	Colorado	31	New Mexico
7	Connecticut	32	New York
8	Delaware	33	North Carolina
9	Florida	34	North Dakota
10	Georgia	35	Ohio
11	Hawaii	36	Oklahoma
12	Idaho	37	Oregon
13	Illinois	38	Pennsylvania
14	Indiana	39	Rhode Island
15	Iowa	40	South Carolina
16	Kansas	41	South Dakota
17	Kentucky	42	Tennessee
18	Louisiana	43	Texas
19	Maine	44	Utah
20	Maryland	45	Vermont
21	Massachusetts	46	Virginia
22	Michigan	47	Washington
23	Minnesota	48	West Virginia
24	Mississippi	49	Wisconsin
25	Missouri	50	Wyoming

- **Two-Tier Welfare Demonstration Project:** Restricts benefits paid to families from out of state to what they would have received at their previous locations, to counter the "welfare-magnet" effect. Approved 1992, implemented 1994 in four counties.
- **Work Not Welfare:** A trial of time-limited welfare. Recipients must work for assistance, and cash aid ends after two years, although other benefits continue. Approved 1993, implemented 1995.

JOBS as such was not a Thompson invention, rather a national program mandated by Washington, but the administration has devoted careful attention to its implementation.

None of the new programs has yet been fully evaluated. When they are, some no doubt will prove unsuccessful. And like other conservative welfare reformers, Thompson has done little directly to address the income problems of the poor. He cut welfare benefits when he first took office. His initiatives are

unpopular with local activists and some liberal politicians. He has, however, created ferment and innovation around welfare on a level seldom seen. That no doubt has something to do with the state's reductions in AFDC, although secondary to the impact of JOBS and a favorable local environment.

Outside the administration, a number of Wisconsin counties have made names for themselves as pioneers in one or another area of social welfare. Several of these were among those I visited. The interesting thing is that some county officials commit themselves to reforming welfare even though they have little financial stake in doing so; the state pays for welfare benefits, and the counties face only administrative expenses. Of course, welfare as it now is is intensely unpopular, and people want to change things. In Wisconsin more than elsewhere, they do something about it.

The sources of initiative extend beyond government. In Milwaukee, the Greater Milwaukee Committee, a business group, has launched a job guarantee program, drawing funds from its own members as well as government and foundations. New Hope, as it is called, embodies the liberal conviction that barriers block the poor from working. It assures participants a job and a poverty-level wage plus health and child care, but it also requires that they work at least 30 hours a week. The scheme is as close a test of the Clinton welfare plan as exists anywhere, since it conditions aid on the clients putting in serious working hours. Meanwhile, in Dane County, another business group has taken over the Vera Court housing project in an attempt to improve conditions there.

Such a level of innovation is unusual. Many states have welfare initiatives of some kind, as every national administration since Reagan has encouraged. During the Administration of President George Bush, however, Wisconsin obtained more waivers from Washington to run experiments than any other state.³⁰ New Hope negotiated special federal funding, such was the interest in the project in Congress. The main weakness in Wisconsin's record is that no JOBS program in the state has been systematically evaluated. Good evaluations by MDRC are the main reason for the attention given welfare reform in California.³¹ The range of innovation and the many sponsors of change in Wisconsin, however, are unparalleled. If there is a national laboratory for welfare reform, it is here.

How does a small state with only 5 million people achieve all this?³² One asset Wisconsin has is a tradition of leadership in social policy. Economists from the University of Wisconsin have been shaping national social programs since John R. Commons and Edwin Witte in the early decades of the century. Wisconsin experts led by Witte, Arthur Altmeyer, and Wilbur Cohen became the primary drafters of the Social Security Act during the New Deal. Altmeyer went on to head Social Security and Cohen to lead the U.S. Department of Health, Education and Welfare. Studies by Robert Lampman, another Wisconsin economist, helped launch the War on Poverty in the 1960s, and since then much of the most expert analysis of poverty has come from the Institute for Research on Poverty (IRP) at the University of Wisconsin-Madison. While IRP is known as liberal, as favoring income transfers to the poor, it has lately become involved in the movement toward paternalist programming. IRP experts helped launch improved welfare work programs in Dane and Kenosha counties, as I will detail below, and are currently advising New Hope.³³

A second asset is bipartisanship. Although Republicans took control of the Wisconsin Senate in 1993 and the Assembly in 1994, for much of Thompson's time as governor, he has had to work with a Democratic majority in the legislature. While he has faced criticism from liberals, enough Democrats have supported him to get his welfare initiatives enacted. This is because even on the left in Wisconsin, there is strong sentiment for changing welfare in ways that would seem conservative elsewhere. Welfare activists opposed to Thompson lack the same power to mobilize regular Democratic politicians that they would have in California or New York. More than elsewhere, the parties in Wisconsin avoid making

welfare a political football. Rather, they join forces to change it.

In 1993, Democrats challenged Thompson, not by opposing his initiatives totally, but by voting for a bill to abolish AFDC entirely by 1999. They dared him to sign it. He did, forcing the state to redesign welfare completely in the next five years. The move was led by Antonio Riley, Jr., a black Democrat from a poor area of Milwaukee who declares that “Welfare is the jailer of our people.” Potential Democrat rivals to Thompson, such as Milwaukee Mayor John Norquist, have positioned themselves also as welfare reformers. Norquist talks the way Republicans currently do in Washington, saying that he would deny cash aid to “underage mothers” even if it meant building “orphanages” for their children.³⁴ At the same time, Thompson and local Republicans are more moderate on welfare than the national GOP. Despite some hard-line rhetoric and some cuts, they have acted mostly to reshape welfare rather than curb access to aid.

Bipartisanship reflects a society that lacks serious divisions other than those linked to poverty. Class divisions are certainly not absent — the state historically has had a strong labor movement — but they seem shallow compared to those in larger urban states. Just as important, there is ideological convergence. Liberals in Wisconsin are much readier than elsewhere to use government to enforce values such as work. The political culture is much less rights-oriented than on the East or West coasts. In Wisconsin, people in and out of government express attitudes closer to Jean-Jacques Rousseau than John Locke. People want to reinforce basic civilities even if it means putting pressure on the dependent. One case work supervisor I spoke to denounced dependency as “learned helplessness,” while a Learnfare case manager said she told her clients that “I want you to be a good citizen.” There is precious little support, even on the left, for the classic welfare-rights position that recipients should be entitled to aid without doing anything in return except raising their children.³⁵

On the other hand, conservatives are readier to accept a wider role for government than would be true in most states. They inherit the Progressive tradition that emphasized strong local government. Not by accident, the public-policy institute at the University of Wisconsin is named after Robert La Follette, a Progressive Republican. This “good-government” tradition is widely seen as a state achievement, so conservatives seldom denigrate government as they sometimes do in Washington. Conservatives can be hard-line about enforcing values such as the work ethic or law-abidingness, but they seek to do this *through* government, not at the expense of it.

A further Wisconsin asset is precisely its strong local government. The quality of central and local administration in the state is exceptional. The bureaucracy is well-funded. Wisconsin has little trouble spending its federal JOBS money, because its own funding is adequate. The money is spent on the guts of administration, not fancy facilities. At the time of my visit in 1994, the state already had an advanced computerized reporting system for JOBS and other welfare programs, but it was spending \$40 million to install a better one. A child-support computer was also in the works.³⁶ Equally important, public service in Wisconsin attracts capable people. Compared to elsewhere, bureaucrats involved with welfare and employment are motivated and analytic. Policy analysts inside the bureaucracy, as well as outside experts, are listened to, and officials are always on the lookout for better ways of solving their problems.

Quality bureaucracy is not created overnight. Wisconsin is able to distinguish itself in JOBS and execute Thompson’s various experimental programs because it has learned to run a variety of social programs well over decades. The state, for example, has long been high-performing in the Job Service, a federally funded labor exchange that runs job-search activities for many local JOBS programs.³⁷ In child

support, it achieves payment in 33 percent of its support cases, a rate second in the nation.³⁸ In Wisconsin, bureaucratic excellence is not an oxymoron. It allows government to translate welfare rhetoric into reality.

Finally, the social environment in the state facilitates reform. One gains an impression in Wisconsin that welfare is less entrenched than elsewhere. The racial composition of the caseload is quite close to that of welfare nationally, and the average rate at which cases close is, if anything, lower than suggested by research for the nation.³⁹ However, nonwhite and long-term welfare is concentrated largely in Milwaukee. Outside, recipients are less distinct from the society and turnover on the rolls is high. This enables reformers such as Thompson to try out policies that might seem extreme in other states in the smaller counties, confident that society can take the pressure. Even in Milwaukee, the scale of the welfare problem is not of the order seen in New York, Chicago, or Los Angeles, so fundamental change is imaginable.

Most states with conformist cultures limit the extent of public responsibility for society, while most states with generous governments have serious social problems. In Wisconsin, society is untroubled by the standards of elsewhere, yet government is ambitious. Attitudes are simultaneously highly civic and pro-government. Thompson and his allies, no less than liberals, embody the conviction that government can solve problems. The paternalist approach to welfare is thus more native to the state than it would be in much of the country.

The Counties

Wisconsin's counties, like the state government, have a history of governmental success that helps make the state's achievements possible. As mentioned, some have been leaders in the areas of social welfare addressed by the Thompson reforms. Many counties are entrepreneurial, actively seeking out new challenges, or new approaches to old ones.⁴⁰ A number of counties have applied to the state to run Thompson programs that were due to be piloted prior to statewide implementation. In some cases, there have been more suitors than Madison could accommodate.

During summer 1994, I interviewed officials in six counties in order to investigate the local roots of reform. These included Milwaukee — which, at 952,000 people, is much the largest in the state and contains the state's largest metropolis. Milwaukee has the usual problems of American big cities — a large and disadvantaged minority population (it is one of the most highly segregated cities in the country), declining manufacturing, and a more troubled bureaucracy than most other places in the state. I also visited Dane County — which, at 380,000 people, is the state's second-largest, contains Madison, the state capital, and has a prosperous, largely white-collar economy. I also included Kenosha and Racine, two medium-sized cities with mixed economies, and Fond du Lac and Sheboygan, two smaller, partly rural counties.

The counties were chosen mostly for variety and to include most cities in the state. The six encompassed 37 percent of Wisconsin's population and 55 percent of its JOBS caseload (Milwaukee has 40 percent all by itself).⁴¹ They also included several of the counties with leadership roles in welfare. Kenosha has a crack JOBS program and one of the better Learnfare operations, while Racine is a leader in child support and a pilot for Children First. Fond du Lac is another Children First pilot and will be a pilot for both Work Not Welfare and a projected expansion of Learnfare.

I studied how these six counties have implemented JOBS, Learnfare, and Children First. My greatest interest was in JOBS because it is much the largest reform program, the one that is national, and

the one where the data permitted the most complete analysis. I studied Learnfare and Children First mainly to see how a paternalistic administrative structure had been implemented.

PART 2: REFORM PROGRAMS IN WISCONSIN

JOBS

The Job Opportunities and Basic Skills Training Program, or JOBS, has been the welfare employment vehicle attached to AFDC since the Family Support Act of 1988. It is vastly the most significant reform program to have appeared at the national level. It awards states great discretion in how to run their programs, provided they meet the participation standards set out in FSA.

Wisconsin, like most other states, delegates its JOBS program substantially to the local level. The state Department of Health and Social Services (DHSS) contracts with local entities to run it, usually county welfare departments but including some other agencies and a few nonprofit bodies. It runs the Milwaukee program directly, although it subcontracts with several provider agencies there. Most local JOBS agencies receive state funding, at a rate of \$1,500 per client, sufficient to serve 47 percent of AFDC adults, which is about the proportion mandatory for JOBS. Milwaukee receives 35 percent. Localities are required to defray only administrative costs, but some spend for other JOBS purposes and some have obtained grants from nongovernmental sources.

Traditionally, state policy in JOBS, as in WIN, has been client-oriented. Program documents assert that the program aims to serve mainly “the most difficult to employ.” Federal policy gives priority in JOBS to several “target groups,” among them adults who are long-term recipients, high school dropouts, and without recent work experience.⁴² Wisconsin gives priority as well to serving Southeast Asian refugees in the counties where they are common.

Policy statements say that enough JOBS participants will be disadvantaged so that looking for immediate employment is usually “not the primary activity.”⁴³ Rather, the priority goes to education and training to build up skills so that recipients can get and keep jobs sufficient to get them off welfare.⁴⁴ In Wisconsin, more than most states, it is popular to send welfare adults to school, even to university, in an attempt to secure them “better” jobs. In 1992, Wisconsin had 15 percent of its JOBS clients in job search, but it had 17 percent in higher education that the clients arranged themselves, the sixth-highest figure in the nation. The national averages for these two activities were 9 and 7 percent.⁴⁵

The manner of JOBS administration is also solicitous. State policy, even more than federal, emphasizes the careful assessment of clients for employability and the development of service plans to overcome barriers to their employment. While the state requires case management — that is, the use of staff to broker services and follow individual cases — this policy “does not assume that the problems are principally internal to the person.”⁴⁶ The rights of clients are to be scrupulously observed.

It is true that the Thompson administration has recently given more stress to employment at the expense of remediation. Counties are under pressure from Madison, and in some cases the business community, to put more clients in job search, fewer in education and training. A Thompson policy to require new entrants to JOBS to look for work before entering other activities was instituted in Racine in October 1994. There is also pressure to sanction, through reductions in welfare, more recipients who do not cooperate with the program.

However, what primarily makes JOBS demanding in Wisconsin is not severe policies, but thorough administration. Mostly, JOBS is tough because it is a real program. In many other states, the program exists more on paper than in reality. Only a minority of the employable recipients face a serious expectation even to enter the program, let alone look for work. That is especially true in big cities with large caseloads and serious organizational problems. In most Wisconsin counties, JOBS is really implemented. Administrators take seriously that mandatory clients should actually sign up for the program and enter it, and they sanction those who do not.

They can do this because funding is adequate in most counties to hire the necessary staff. Caseloads for case managers run from 75 or 80 to 300, depending on the county, and figures of around 150 are common. Case managers I interviewed said they knew what the majority of their clients were doing at a given time, something unheard of in most JOBS programs. Milwaukee has traditionally been the exception, but as I note below, it is catching up fast.

Although JOBS in Wisconsin is client-serving, it is also insistent. Wisconsin service people want to help people, but they define “helping” as whatever enhances independence. So, despite their earnestness, they put pressure on people to change. The state requires that they call in clients at least once every six months to review their situation. Many do so more often. Such intensive interaction is the best way, research shows, to motivate people to do more to help themselves.⁴⁷

The Counties and JOBS

I combined field interviews with an analysis of program data to describe how the six research counties approached JOBS and determine which were most successful. This study advanced over previous research with the same methodology primarily in that I was able to explore the administrative determinants of performance more completely.⁴⁸ Formerly, it has been clear mainly that higher participation rates led to higher performance. In Wisconsin, one could say more about what kind of participation matters. This is primarily because the state’s excellent reporting system provides unusual detail about how clients are assigned. There were also more local programs, permitting more determinants to be estimated.

Traditionally, analysts have said that welfare employment policy involves a tradeoff. One could promote employment in low-paid available jobs or build up clients’ skills in order to get them better jobs later, but not both. The first course satisfied society’s work expectation, but could not secure the “good” jobs clients need to get off welfare permanently. The second course might improve skills and wages, but at the expense of having fewer clients working in the short term.⁴⁹

Of my six counties, Kenosha and Sheboygan firmly chose the first course. Their JOBS model had three key features. First, they sought to levy the work obligation as soon as possible after recipients went on welfare. They tried to shorten the delays of weeks or months that normally intervene between the time someone goes on welfare and when he or she is referred to JOBS, enrolled in the program, oriented, and assigned to activities. One job-club director in Milwaukee expressed the rationale succinctly: “The longer the delay, the longer till a person gains employment.” Kenosha and Sheboygan also aimed to impress on the caseload that welfare is not a free ride. In Kenosha’s words, this “rivets the connection” between dependency and the effort to get off the rolls that the “social contract” is supposed to require.⁵⁰

Second, they aimed at high participation. As many of the employable recipients as possible were to be enrolled in JOBS, and then everything possible was done to prevent them from dropping out, as

welfare adults are prone to do. Case managers checked up on their cases frequently. There was relentless follow-up to see whether those assigned to job search, education, or training were actually fulfilling their assignments. Clients who withdrew without authorization were sanctioned swiftly, usually after only two attendance violations.

Third, these counties favored actual work over remediation as the form of participation. Most clients were to be put in job search immediately. The programs would engage in only a limited assessment of their prospects up front, in the belief that the job market provided the truest test of employability. They also discouraged clients from getting into remediation as a replacement for work. While federal and state policy allow participants to undertake “self-initiated” education or training and have this certified as participation for JOBS, localities may demand that such programs be limited in time and job-related. Kenosha and Sheboygan did this more stringently than elsewhere.

The fullest development of the jobs-first model was in Kenosha. The county had crafted its own distinctive approach to welfare employment going back to 1987, prior to JOBS. County officials took the lead, but were advised by IRP consultants who suggested managerial improvements and designed a special reporting system to permit unusually close monitoring of the caseload. The goal of the new program was to simulate for clients, even before going to work, the conditions they would face on the job. Currently, new recipients are inducted in a matter of days into JOBS, where they must participate continuously for 23 weeks. They go first into orientation, then motivational and assessment workshops, then six weeks of job search, and finally, if necessary, into various forms of unpaid or subsidized employment.

After week 23, participants who are still not employed are reviewed, but remediation in advance of work is generally limited to recipients not fluent in English. Others have to work at least 10 hours a week to qualify for subsidized education at local postsecondary institutions.⁵¹ The attitude is that, for most clients, to have a work history in any kind of position is worth more for getting a “good” job than remediation. “You do not need an education to get a job,” one Kenosha JOBS manager told me. “To get a job, you need to work.” The combination of work and remediation for each client is supposed to add up to at least 20 hours a week, with a norm of 32 hours. Attendance at both work and training assignments is closely monitored.

Using such policies, Kenosha has achieved and sustained the highest participation rates ever measured in JOBS. By 1990, the county already achieved monthly rates of over 50 percent, using the official JOBS measure, or more than twice the levels that JOBS mandates for 1995, five years later. Kenosha’s level also compares favorably to that of the most notable of several programs evaluated by MDRC.⁵² For these achievements, the National Alliance of Business selected Kenosha as the outstanding JOBS program in the country in 1993.

The other four research counties aimed much more at enhancing skills, if necessary at the expense of immediate employment. This was the largest difference distinguishing Fond du Lac and Racine from Kenosha and Sheboygan. In addition, Dane and Milwaukee had traditionally been relaxed about enforcing participation. Both had large “pools” of clients who were officially in JOBS, but had not been summoned to do anything. Although JOBS is ostensibly mandatory, its ethos in these four counties was closer to that of a voluntary program. As one manager in Fond du Lac put it, JOBS’s function was to “empower” people by offering them “choices.” According to a manager in Dane, JOBS activities should be built around “the individual’s needs and desires.” In Milwaukee prior to 1994, providers of training services were made to compete for the business of clients, who could choose what they wanted to do. Few chose immediate employment.

All four skills-oriented counties were much more supportive of remediation in place of work than Kenosha or Sheboygan. They allowed much more self-initiated education, in the belief that this facilitated eventual escape from welfare, even though it meant fewer job entries in the short run. In Milwaukee, job search typically came at the “tail end,” after clients had exhausted other options. In addition, the county was required by a court decision to fund support services for all JOBS adults in education who asked for them. That had led to a run on child-care money by people in self-initiated training, many of whom did not attend their classes regularly.

The jobs-oriented counties also showed the tightest administrative style. They had definite standards to which they held their staffs as well as clients. Case managers checked up on their clients using all kinds of feedback — not only computerized case records, but attendance reports provided by a training contractor outside the computer and even informal sources, such as hearsay from neighbors. Participants who disappeared were pursued with letters, phone calls, and home visits. Managers, in turn, monitored the case managers, holding them accountable for job placements and other outcomes. The idea was to set performance standards, in consultation with staff, and then leave the troops free to decide on their own how best to meet them. This is the preferred style of management identified in much of the research on welfare employment.⁵³

Routines in the skills-oriented counties were more relaxed. Case managers oversaw clients more loosely, with more reliance on the computer, less on personal and informal contact. Front-line staff, in turn, were less closely supervised by managers, with performance standards less clear.

Kenosha and Sheboygan also displayed organizational innovations. Kenosha had set up a Job Center housing a number of employment programs, not only JOBS. This permitted staff teams to serve multiple caseloads, and it allowed “one-stop” referral among programs. Kenosha and Sheboygan also contracted out many of their JOBS functions to private or nonprofit agencies, in the belief they were more efficient and accountable than regular county employees. The other four counties also used some contractors, and Dane and Milwaukee had created or discussed Job Centers on the Kenosha model. But the interest in restructuring was not as strong as in Kenosha and Sheboygan. Fond du Lac, though innovative in some ways, specifically rejected contracting, and traditional public agencies dominated the large Milwaukee program.

The main source of the differences among the six counties was differing philosophies about how to run JOBS. Money was also a factor. Milwaukee was less tightly managed than other counties, in part, because caseloads there ran over 300 in some agencies. This was partly because the county had less state funding relative to its needs than other counties and partly because of state pressure to raise participation rates (discussed below), which had forced staffs in some agencies to shoulder more active clients. In contrast, Kenosha was able to fund 80 percent of its adults due to special monies received for a welfare work demonstration project predating JOBS. Even in Milwaukee, however, no one suggested that money was the main constraint on the program. No one I interviewed in any county said that a lack of child-care funding was a serious problem.

The more significant problems were organizational. These were clearest in the largest counties. In Milwaukee, the local government had refused to run JOBS, for fear that it would be left to maintain an expensive program on its own if state or federal funding were cut. So the state ran the program from Madison, but then subcontracted activities to a large variety of local agencies, public and private. Clients were allowed to choose among these services with little direction, leading to endless referrals among them and many unserved people. Respondents described the situation as “chaotic,” lacking in “system.” In Dane, the county subcontracted the program to the local Private Industry Council (PIC), which runs

the major federal voluntary training program, the Job Training Partnership Act. But the PIC spent most of its money on administration and served few clients.

Based on fieldwork, the relative positions of the six research counties in terms of service philosophy and degree of administrative control appeared to be as portrayed in Chart 3 below. Counties that were more jobs-oriented also tended to be more controlling. That association is not a necessary one. One can imagine a jobs-oriented program that was loosely run, or a skills-oriented program that was stringent. But in practice, it is jobs-oriented programs that are tightly run because the people running them think they are enforcing something. Fewer recipients choose to work immediately than managers want, so they set up their operation to *require* participation and job search.

These impressions were mostly confirmed by an analysis of how clients were actually assigned in the six programs at the end of a typical month, October 1993, as shown in Table 4 on the next page. Kenosha and Sheboygan achieve higher rates of enrollment than the other counties, and higher than the state average. Correspondingly, they have fewer people in unproductive holding statuses,⁵⁴ except compared to Racine; Kenosha has more than Sheboygan because of its more complex program model, which involves referral to remediation alongside work. Notably, the effect of expecting participation is actually to diminish the share of clients sanctioned for noncooperation. To judge from earlier research, this is because to demand involvement when people enter JOBS makes expectations clear and forestalls trouble later.⁵⁵

Kenosha and Sheboygan also have more people than the other counties involved in job search and actual work.⁵⁶ “Working” here means holding jobs while still on welfare. The edge the jobs-oriented counties have in working registrants is very striking and represents their greatest achievement. But at the same time, they also have more clients involved in remedial and postsecondary education than the more skills-oriented counties. Partly, this is because of Kenosha’s commitment to education and

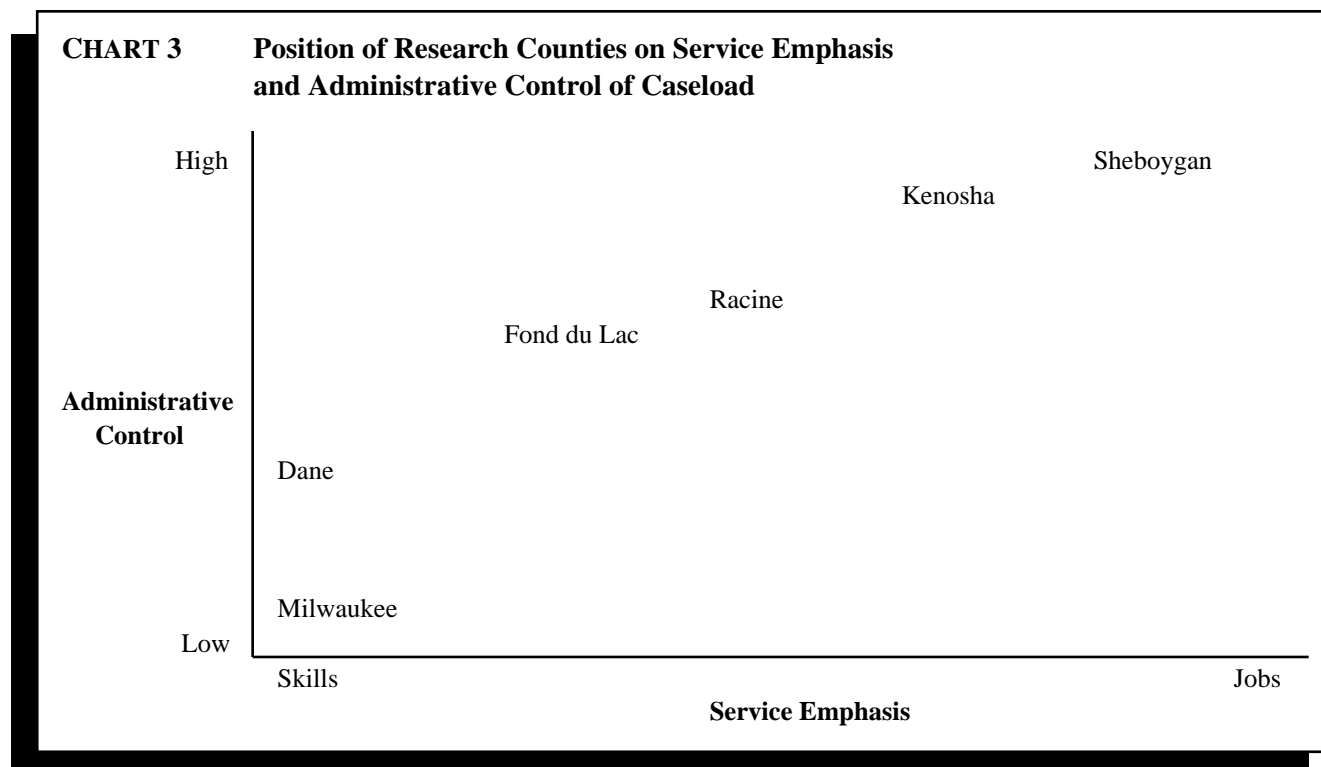


TABLE 4 **Percent of Clients in Various Administrative Statuses in JOBS, End of October 1993**

	Enrolled	In holding statuses	Sanc-tioned	In job search	Working	In unpaid jobs	In remedial education	In postsec. educ.
Kenosha	88	24	1	8	37	3	11	12
Sheboygan	90	11	1	8	35	5	32	11
Dane	76	34	4	2	16	1	6	8
Fond du Lac	84	33	1	1	24	3	13	9
Milwaukee	86	32	8	4	19	1	4	5
Racine	78	16	8	3	18	0	8	15
<i>State average</i>	86	30	5	4	22	1	7	9

Note: State averages were calculated using aggregates for the caseload statewide.

Source: Wisconsin Integrated Data System-Work Programs Reporting System, reports 20. 22-26 for October 31, 1993.

training alongside part-time work, while Sheboygan puts many people in English as a second language (ESL) because it serves many Southeast Asian refugees. Another reason, however, is that Kenosha and Sheboygan have more clients available to assign to any sort of activity because of their greater success in enforcing participation up front.

The Counties and JOBS Performance

The next question is how the counties rate on actual performance in JOBS. Which are the most successful in causing clients to enter jobs, among other outcomes? To date, there have been no true national performance measures in JOBS. These are supposed to be written by the U.S. Department of Health and Human Services and submitted to Congress. That process was delayed by the defeat of the Bush Administration in 1992 and the preoccupation of the Clinton Administration with its own welfare-reform plan.

The only indicator now on the books is a measure of participation defined in regulation to permit judging whether states are meeting the thresholds for activity levels set in the Family Support Act. The rules say that recipients, to count as participants, must be assigned to at least 20 hours of activity a week, and actually fulfill 75 percent of those hours. According to Wisconsin state staff, this is not a valid measure of activity at the local level because levels can vary inversely with actual performance. This is because worse-run programs are often unaware of clients dropping out. Hence, they often overstate their participation levels compared to well-run programs that follow their caseloads more closely.

Instead, to measure county performance, I used six measures available in the reporting that were like those once used in WIN. In the listing below, each is followed by the abbreviation I use to identify it in the tables that follow:

1. Percent of registrants entering jobs expected to last at least 30 days (JENTRYR).

2. Percent of registrants working full- or part-time while still on welfare (WORKR).
3. Percent of registrants whose cases are closed (CLOSER).
4. Percent of job entrants that were followed up that were still employed at 30 days (RETAIN30).
5. Percent of job entrants that were followed up that were still employed at 180 days (RETAIN180).
6. Job entry wage, the average hourly pay of registrants entering jobs (JEW).

Thirty-day retention was a measure used in WIN. Wisconsin added the follow-up at 180 days. Retention is an important indicator because of recent evidence that a great many recipients go to work, only to lose jobs and go back on welfare.⁵⁷ The welfare employment problem is not so much a lack of all employment as lack of sustained employment. One thing a JOBS program must do to perform well is place recipients so that they stay at work.

Together, the six measures capture the goals most often asserted for welfare employment programs. The first three indicate job quantity — the sheer number of clients a program causes to enter jobs, work while on welfare, or close their cases, often through employment. The last three indicate job quality — whether the jobs obtained are good enough to pay well and cause recipients to keep them. The common assumption is that job quantity and quality are in tension, that a program that performs well on one set of measures will probably not satisfy the other.

In the following analyses, I ask how the six research counties performed on these measures over 1993. What percentage of their clients did they have during the year in each of these statuses — entering a job, closing a case, retaining a job for 30 days, and so on? The base for these percentages includes all clients in each program at the end of 1992, or who entered JOBS during 1993. Table 5 on the next page shows the results for each county on the six measures, and also the averages across all Wisconsin counties. Results for the research counties that were above average are printed in bold.

Kenosha and Sheboygan excel on the job-quantity measures, as expected. They are very good at motivating a high proportion of clients to enter available jobs. The skills-oriented counties do well on the job-quality measures, also as expected. While relatively fewer of their clients take jobs, those positions often inspire prolonged retention and pay above-average wages. Every county except Racine is above average on some measure.

However, Dane and Milwaukee do well on job entry wage partly because they are in areas where average wages run high. And Kenosha, in spite of its jobs emphasis, manages to score above the norm on the quality measures as well. It is below par on percent of cases closed, because it allows many participants to pursue remediation once they are working part-time, rather than pressing them to work more hours and leave welfare. But in return, it gains higher retention and wages. And if Sheboygan scores below Kenosha on wages, it scores above Fond du Lac and Racine — counties that give much more attention to getting “good” jobs.

Table 6, also on the next page, ranks the research counties in terms not of their absolute results, but of how they ranked on the indicators among all 72 Wisconsin counties. Ranks better than average for all counties are printed in bold, and each research county’s average rank for all six measures is given. On

TABLE 5 Performance of Research Counties on Performance Measures, 1993

	JENTRYR	WORKR	CLOSER	RETAIN 30	RETAIN 180	JEW
Kenosha	25.6	33.8	44.2	91.8	68.8	5.62
Sheboygan	27.6	37.9	50.8	81.2	64.7	5.40
Dane	12.3	16.3	40.4	82.2	46.9	6.15
Fond du Lac	18.5	28.2	42.4	88.0	54.3	5.33
Milwaukee	11.7	14.9	35.0	88.9	57.1	5.69
Racine	9.3	20.0	46.4	82.4	53.6	5.36
<i>State average</i>	22.0	30.9	48.5	84.3	55.8	5.60

Note: For precise definition of variables, descriptive statistics, and sources, see appendix.

TABLE 6 Ranking of Research Counties Among All Wisconsin Counties on Performance Measures, 1993

	JENTRYR	WORKR	CLOSER	RETAIN 30	RETAIN 180	JEW	<i>Average</i>
Kenosha	20	21	56	10.5	9.5	31.5	24.8
Sheboygan	13.5	12	21	54	19	47	27.8
Fond du Lac	50	47	63	34	37	54.5	47.6
Milwaukee	71	72	72	26	30.5	26	49.6
Racine	72	68	44	48.5	40	52.5	54.2
Dane	70	71	70	50	58	8	54.5

Notes: Averages are averages of the six performance scores for each county. Noninteger ranks reflect ties with other counties. For precise definition of variables, descriptive statistics, and sources, see appendix.

this basis, Kenosha and Sheboygan easily outpace the other four jurisdictions. As above, their performance is broad-based. Kenosha ranks above average on every measure except case closures, and Sheboygan on four of them. In contrast, the skills-oriented counties are below par on all the job-quantity measures and, except for Milwaukee, most of the job-quality measures as well. Overall, they all rank well below the middle in the state pecking order.

These results suggest that the jobs-oriented approach to JOBS is superior. At least in Wisconsin, there apparently need be no tradeoff between job quantity and job quality. A program that insists that clients enter the program and look for work can achieve higher-paying, more secure jobs as well as more of them. This apparently is true because the work history that participants acquire by taking available, often low-paid jobs really is worth more to them for getting “better” jobs than going to school without working. Most of all, a demanding program mobilizes more clients to do something to help themselves, whether it be work or training. This result is consistent with the evaluation literature, which shows that

the programs that are toughest about enforcing participation and job search elevate the earnings and employment of recipients as well as reducing dependency and welfare payments.⁵⁸

Qualifications

Two qualifications are important. First, even Kenosha and Sheboygan are beaten by many other counties, most of them small and rural. This sort of research consistently finds that programs with small caseloads outside cities outperform the larger, more bureaucratic programs in urban areas. Why is unclear. It may be that welfare recipients in the big cities are more disadvantaged, on average, than those in rural settings, or that social pressure to get off welfare in urban areas is weaker. One study of Wisconsin found that rural recipients do indeed leave welfare faster than urban, even controlling for the fact that they are less disadvantaged (less often black, with more education, etc.). This is because they are ashamed that neighbors know they are on welfare; they do not live in high-welfare areas that shield them from stigma, as happens in cities.⁵⁹ But as I will note below, population density plays little role in explaining performance in Wisconsin JOBS.

Governmental causes are more likely. Large programs require larger, more complex bureaucracy, which is inherently less efficient than a smaller-scale organization. It requires more managerial layers. Personnel have to communicate with each other on paper or by computer, rather than face to face. Case managers, as noted above, tend to have higher caseloads and use less informal feedback about clients. They cannot “know” their cases personally, the way small communities “know” people. On the other hand, indicators for the size of a JOBS program, expressed in terms of a county’s percentage of the statewide clientele, proved unimportant in all the analyses of JOBS performance reported below.

That suggests that whatever is distinctive about large cities is captured by the variables already in the models. Chief among these are measures of the percentages of clients who are seriously obliged to work by being enrolled in JOBS and put in job search. The cities are special chiefly in that they are less ready to obligate people in these ways than are smaller localities. They hesitate to “make” people work. That reflects a more liberal political culture, due to the influence of welfare advocacy groups and liberal politicians committed to an entitlement view of welfare.

The second qualification is that it would be mistaken to view any of the research counties as a “low performer.” The skills-oriented group does poorly mainly because its strategy in JOBS turns out to be second-best. That stance is understandable, since it suits client-serving values and the evidence that a jobs orientation works better became strong only recently. The skills-oriented counties rank low only within Wisconsin. For the state to perform as it does nationally, they probably rank high compared to comparable sites elsewhere in the country. If Dane and Milwaukee have problems, they are as nothing compared to those JOBS faces in Chicago or New York.

Furthermore, important changes are afoot that are bound to uplift the lower-ranked group and tighten competition in the county league table in future. The sharpest shift has occurred in Dane, where JOBS officials are painfully aware of their underperformance. Pressure to improve came from the state and also from the business community, which complained that few welfare recipients were looking for work even though unemployment was low and jobs going begging. The program underwent management changes and hired consultants from IRP. In 1991, they recommended that welfare articulate a clearer strategy and take closer control of JOBS. It did so, ousting the PIC as chief subcontractor, replacing it with other agencies, and cutting costs. A Job Center was assembled out of JOBS and other programs.

Most important, starting in 1993, a concerted effort was made to draw down the large pools of unassigned clients, who had often sat idle for years. They were called in wholesale and oriented to the new program. Many were put in job search, and their subsequent participation was monitored more closely. The program shifted strategy away from remediation and toward employment, although without adopting a clear-cut jobs emphasis. Performance improved sharply in 1993, although it was still low by state standards.

In Fond du Lac, a similar reorientation has occurred, though with less radical structural changes. Here, too, business leaders complained of an absence of labor, because too many welfare adults were in education programs. County officials heard them, and JOBS was persuaded to shift its emphasis somewhat away from skills and toward employment. The politicians, it turned out, were pushing on an open door. JOBS managers had already realized that clients could not study forever in search of the “ideal” job. Going further, the county volunteered to pilot Work Not Welfare and was accepted. It now finds itself in the business of moving recipients rapidly toward work, to avoid the cutoff of benefits at two years, a sharp shift from its past philosophy. JOBS managers reject contracting out their operation to nongovernment agencies, but attest that their all-public operation will prove competitive with Kenosha and its imitators.

In Milwaukee, a dramatic rearrangement has begun to turn around the state’s largest JOBS program. DHSS, which was running the program from a distance, became impatient with its high costs and failure to generate job entries. Traditionally, it had subcontracted with several local agencies, whose functions overlapped, leading to waste. Starting in 1994, it substituted a system of bureaucratic competition. The local agencies were reorganized into two teams, one led by the Job Service, the other by Goodwill Industries. The members of each team were chosen to minimize duplication. Incoming clients were allocated randomly between teams, and the two were to compete, with points awarded for each job entry obtained. Funding in subsequent years would be decided, in part, by the results.

This created far stronger incentives for the agencies to worry about employment than they had faced before. Both teams set about calling in the unassigned pools and putting many more clients in job search than previously. There was suddenly a concern, my respondents said, for “production.” Some staff now talked of steering people away from extended education programs, on the philosophy that “You gotta work.” Priority now went to enforcing the “work obligation,” even to requiring job search up front, for otherwise recipients “could come up with all kinds of excuses.” Despite much confusion and startup problems, it was already clear by the time of my visit during summer 1994 that job entries had surged and results would be improved over the previous year.

Most remarkable was the acceptance of these changes at the local level. To a surprising extent, local JOBS people had already realized that they had to move towards a greater jobs orientation, even before pressure was applied by the state. While the radical Milwaukee changes initially met resistance from the providers, most of their criticism was constructive, meant to improve the new system rather than stonewall it. By the time of my visit, complaint had almost died away. This dutiful reaction is fully in concert with Wisconsin political culture, in which obligations come first.

In a large view, the four lower-performing research counties are not fundamentally different from the two higher-performing ones. All are headed toward a JOBS program that puts work first, though a strong commitment to remediation will remain. Some counties are simply farther along that road than others.

The Determinants of JOBS Performance

The next question is not which research counties perform best, but what are the determinants of JOBS performance in Wisconsin generally? What forces, in short, account for the leadership of the best counties and, presumably, for the state's good performance nationally.

These analyses use regression models of the same kind used earlier to explain caseload change, except now the data points are the 72 counties within Wisconsin,⁶⁰ rather than the 50 states. The variables to be explained are the same six performance measures used above. Like most of those measures, most of the explanatory variables are expressed in terms of percentages of the JOBS registrants in a county during 1993. The question is how variation in the percentage of clients in a certain administrative status, or with a certain demographic feature, affects results on the performance indicators. My hope is to show, as in past research, that how recipients are treated inside a program is crucial to performance, even controlling for the demographics of the caseload and the local labor market.

Table 7 on the next page shows the correlations between the performance measures and various explainers on a bivariate basis — that is, without allowing for other variables.⁶¹ The strongest associations in the entire table are between several of the administrative terms and the job-quantity measures. “Job readiness” means motivational workshops and orientation to the world of work. “In an active component” means in one of several activities involving demands on the client.⁶² The terms expressing positive expectation, such as enrollment and job search, are more potent than the negative force of sanctioning.

To illustrate, Chart 4 on page 28 is a diagram showing how each county placed on the percent of JOBS registrants entering work during 1993 versus the percent enrolled in JOBS. The correlation between the terms is a strong and positive .52. Most of the research counties are labeled.⁶³ Sheboygan and Kenosha are ahead of the others, although neither of them matched Door County. The ties between the administrative terms and the job quality measures tend to be much weaker, and negative.

The service terms, expressing the percentages of clients in options other than job search, are mostly quite weak. So, surprisingly, are the demographic controls, even those that express human capital such as education. The exceptions are the percent of clients who are male or black. “Disadvantaged” means the share of the caseload falling within the federal “target groups” — recipients who are likely to be less employable and more long-term. The labor-market variables show stronger associations, but they are in many cases not easily interpretable. The unemployment rate, for instance, is most strongly linked to job entry wage and not, as one might expect, to job entries. Such imponderables show the need for explanations including more than one determinant.

Tables 8 through 13 on the following several pages provide such a model for each of the performance measures. In these results, all terms are significant at .10 or better, with two minor exceptions. Table 8 on page 29 summarizes the best explanation for the percent of clients who entered jobs during 1993. The administrative terms are powerful. There is no substitute for simply getting the eligibles into JOBS. Every additional percentage point enrolled translates into more than a quarter point more that go to work. The share put in job readiness is even more potent, with every point increase worth almost a third of point in job entries. The chief negative influences are percent of caseload black⁶⁴ and — contrary to expectations — percent growth of employment in the county. The model is reasonably strong, accounting for more than half the variation in job entries.

TABLE 7 **Correlations Between Performance Measures and Key Determinants,
Wisconsin Counties, 1993**

	JENTRYR	WORKR	CLOSER	RETAIN 30	RETAIN 180	RETAIN JEW
Administrative terms: percent of clients ...						
Enrolled in JOBS:	.52	.58	.41	-.13	-.15	-.11
Assessed for employability:	.18	.22	.22	-.11	-.25	.05
In job readiness activities:	.54	.51	.38	-.15	-.03	-.16
In job search:	.39	.54	.17	-.11	.02	-.03
In job development:	.10	.17	.16	-.09	-.25	-.02
In an active component:	.23	.35	-.09	-.03	.06	-.13
In holding statuses:	.16	.18	.07	-.22	-.23	.00
In counseling:	.07	.04	-.13	-.01	.20	-.14
Sanctioned for noncompliance:	.09	.21	-.13	-.09	-.05	-.21
Service terms: percent of clients in ...						
Unpaid government jobs:	.20	.19	.08	.13	.11	-.24
Remedial education:	.18	.20	-.11	-.05	.14	-.12
Postsecondary education:	.10	.22	.12	.05	-.07	.14
Job training:	.31	.15	.13	-.12	-.08	.07
Demographic terms: percent of clients ...						
Disadvantaged:	.09	.04	-.24	-.11	.00	-.11
Male:	.23	.30	.02	.11	.12	-.28
Under 25:	.07	-.08	.16	-.18	-.04	.09
High school graduates:	.13	.27	-.06	.11	.13	.10
Handicapped:	.15	.01	.00	.05	.11	.07
Black:	-.37	-.36	-.35	.03	-.03	.06
Hispanic:	-.16	-.12	.00	.04	-.12	-.01
Asian:	-.17	-.18	-.28	.07	.12	.05
Native American:	.01	.02	-.17	.09	.06	-.14
Labor-market terms: for the county ...						
Unemployment rate:	.08	.22	-.09	.26	.09	-.38
Percent growth in employment, 1992-93:	-.27	-.23	.04	.19	.08	.07
Labor-force participation rate:	.04	-.04	.29	-.17	-.12	.37
Average wage:	-.32	-.42	-.28	-.08	-.01	.38
Poverty rate, 1989:	.01	.08	-.22	.22	.14	-.32
Population density, 1992:	-.27	-.33	-.32	.03	.02	.11

Note: For exact definition of variables, descriptive statistics, and sources, see appendix.

CHART 4 Percent of Clients Entering Employment versus Percent Enrolled in JOBS, Wisconsin Counties, 1993

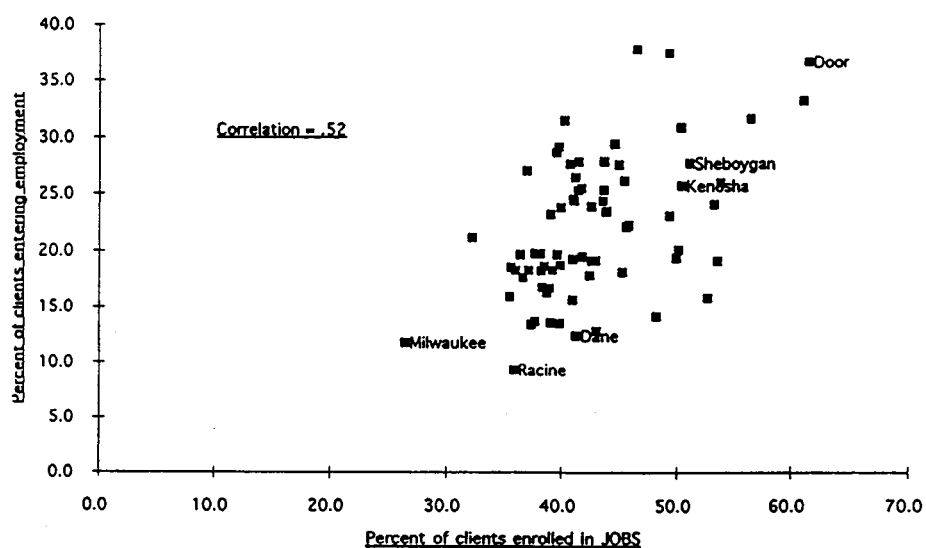


TABLE 8 Regression of Percent of Clients Entering Jobs on Key Explainers

Variable	Coefficient	Standard error	Significance
Percent of clients enrolled in JOBS:	.274	.096	.006
Percent of clients in job readiness activities:	.296	.062	.000
Percent of clients black:	-.361	.102	.001
Percent growth in employment:	-.382	.204	.066
Population density:	-.004	.002	.053
<i>Proportion of variation explained (R²):</i>	.54		

Table 9 on the next page shows the determinants of whether JOBS registrants are employed, either full- or part-time, while still on welfare. Here the administrative terms dominate. The percent of clients enrolled, in job readiness, and in job search each has a strong influence, even controlling for the others. Each point increase in the share in job search produces nearly half a point increase in the share employed. Meanwhile, the only environmental term to matter is the male share of the caseload. No labor-market factor mattered. Yet, the model explains over 60 percent of the variation. In short, whether recipients work while on the rolls depends overwhelmingly on what occurs inside a work program. JOBS can put people to work if it is determined to, at least in Wisconsin. This explains why Kenosha and Sheboygan, by demanding work, are able to achieve their remarkable proportions of working registrants.

The results for the percent of clients leaving welfare paint a different picture. To escape the rolls typically requires getting a job paying more than welfare. So the employability of the clients matters, not

TABLE 9 **Regression of Percent of Clients Working on Key Explainers**

Variable	Coefficient	Standard error	Significance
Percent of clients enrolled in JOBS:	.390	.109	.001
Percent of clients in job readiness activities:	.261	.074	.001
Percent of clients in job search:	.475	.108	.000
Percent of clients male:	.409	.122	.001
<i>Proportion of variation explained (R²):</i>	.61		

simply whether they are required to work. Indeed, the results in Table 10 below show that the closure rate is swayed by several demographic terms. The influence of the percent of high school graduates is negative, not positive as one might expect.⁶⁵ The positive influence of labor-force participation rate probably means that when more people are working or seeking work, more jobs are available and it is easier to get off welfare. Yet, administrative practices still matter. The enrollment rate is a strong positive influence on closures, and the sanctions rate is a negative influence, for reasons suggested above. This enrollment effect helps to account for the power of JOBS participation to restrain welfare growth, as seen earlier.

The retention rate at 30 days (Table 11 on the next page) is also strongly influenced by demographics, with higher retention associated with a caseload that is better educated and more Hispanic.⁶⁶ Growth in employment is a positive influence, as one would expect. Unemployment is also positive, contrary to expectations; the explanation probably is that people already in jobs are more likely to keep them when they know other jobs are less available in the area.

Again, the administrative terms still matter, although this time their influence is negative. A county that puts more people in job search will slightly depress its retention rate. One might expect this, since the clients involved are more likely to be ambivalent about working than if job search is less

TABLE 10 **Regression of Percent of Clients with Cases Closed on Key Explainers**

Variable	Coefficient	Standard error	Significance
Percent of clients enrolled in JOBS:	.367	.083	.000
Percent of clients sanctioned for noncompliance:	-.234	.111	.038
Percent of clients disadvantaged:	-.142	.061	.022
Percent of clients under 25:	.428	.224	.060
Percent of clients who are high school graduates:	-.239	.071	.001
Percent of clients black:	-.208	.059	.001
Percent of clients Asian:	-.400	.078	.000
Labor-force participation rate:	.288	.102	.006
<i>Proportion of variation explained (R²):</i>	.59		

TABLE 11 **Regression of Percent of Jobs Retained 30 Days on Key Explainers**

Variable	Coefficient	Standard error	Significance
Percent of clients enrolled in job search:	-.293	.168	.086
Percent of clients in holding statuses:	-.089	.053	.097
Percent of clients who are high school graduates:	.236	.147	.113
Percent of clients Hispanic:	.650	.392	.102
Percent of clients Native American:	-.243	.126	.058
Unemployment rate:	2.37	.692	.001
Percent growth in employment:	.872	.409	.036
<i>Proportion of variation explained (R²):</i>	.27		

common, and they are likely to get worse jobs. On the other hand, a larger proportion in holding statuses also depresses retention, showing that a positive work expectation still is constructive. This model is weak, explaining little more than a quarter of the variation in retention.

The model for retention at 180 days (Table 12 below) is even weaker, because whether a client is still working six months after employment will be due to a host of unpredictable factors. Nevertheless, the results have some plausibility, and administrative factors still matter. Retention is positively influenced by education, as one would expect, and negatively by the percent of clients who are assessed for employability and put in job development (where staff try to find a job for them), since these statuses are used for less employable people who have failed to find work on their own. Counseling is a positive influence because it expresses work expectations; it is often used for clients at risk of sanctioning for noncooperation.

Finally, Table 13 on the next page shows the results for job entry wage. All variables are highly plausible.⁶⁷ The average wage achieved in a JOBS program depends on the shares of clients in various education or training statuses, as these reflect improved human capital. Most of all, it depends on the average wage in the county. Yet still, administration is an influence. The average wage is negatively related to the share of clients in active components, suggesting again that a drive to obligate people to work may marginally depress the quality of job.

TABLE 12 **Regression of Percent of Jobs Retained 180 Days on Key Explainers**

Variable	Coefficient	Standard error	Significance
Percent of clients assessed for employability:	-.221	.085	.011
Percent of clients in counseling:	.350	.149	.022
Percent of clients in job development:	-.761	.317	.019
Percent of clients who are high school graduates:	.290	.166	.085
<i>Proportion of variation explained (R²):</i>	.22		

TABLE 13 **Regression of Job Entry Wage on Key Explainers**

Variable	Coefficient	Standard error	Significance
Percent of clients in an active component:	-.024	.007	.001
Percent of clients in postsecondary education:	.028	.014	.042
Percent of clients in job training:	.024	.013	.070
Percent of clients who are high school graduates:	.020	.007	.003
Average wage in the county:	.156	.028	.000
<i>Proportion of variation explained (R²):</i>	.37		

These results are consistent with previous statistical studies of local welfare employment performance.⁶⁸ Several conclusions are in order. First and foremost, how clients are assigned in a JOBS program has a strong influence on whether they work. At least in Wisconsin, programs can substantially raise the share of recipients entering jobs, working while on welfare, and leaving welfare by enrolling more people and assigning more of them to job readiness and job search. This is the route that the jobs-oriented counties have taken.

Second, administrative practices also have an influence on the job-quality measures, but it is weaker and mixed. Quite consistent with past research, work programs in Wisconsin have far greater power to place recipients in available jobs than to get them “good” jobs. There is some evidence that an emphasis on job quantity might depress job quality, but it is too weak to argue against a work orientation to JOBS, because the payoffs to job quantity are so clear. Results for the research counties show that a well-run, sophisticated program like Kenosha’s can aim at immediate employment yet use part-time training alongside work and achieve job quality as well. Programs oriented to job quality, however, lack a comparable power to achieve job entries.

A third conclusion is that conditions inside a program matter more than outside. The demographics of caseloads have a good deal of influence on the job-quality measures, but little on job quantity. Labor-market conditions have only an irregular influence on either kind of measure, and some of the associations are counterintuitive. These findings accord with fieldwork. In all my interviews around Wisconsin, not a single respondent said that social or economic conditions — for example, a lack of jobs or child care — prevented recipients from going to work. Two people in Milwaukee alleged that discrimination against blacks kept them from getting as good jobs as they would otherwise, but they did not suggest that working in some job was impossible.

In the national debate about the causes of poverty, researchers and politicians talk a lot about “barriers” that supposedly block poor adults from working, but these play remarkably little role in the way the people running JOBS approach their task. Overwhelmingly, they think that *welfare reform is an administrative problem*. They assume that clients will go to work when and if the program organizes their lives so that they have to. Conditions outside seldom prevent it.

A final conclusion of special interest to Wisconsin is that Milwaukee is not a separate country. In talking to service people around the state, one sometimes hears that there is a “state of Milwaukee” that is different from the rest of Wisconsin. Those who say this are referring obliquely to the special

organizational problems of welfare and JOBS in the city and the fact that the caseload there contains the lion's share of the nonwhite recipients in the state. Those running JOBS in Milwaukee are also heavily nonwhite. State administrators say that all the reduction in the caseload in Wisconsin has come outside Milwaukee, although the city is not growing.

But in my results, Milwaukee is not distinct. The same variables explain JOBS's performance in Milwaukee as in the rest of the state.⁶⁹ The county underperforms relative to most other counties mainly because it does not expect enough of its clients actually to go to work, not for other reasons. JOBS administrators in Milwaukee, as in other lower-performing counties, have responded well to state pressures to upgrade. As Chart 4 already suggests, Milwaukee is on the same track toward a higher-placement JOBS program as the rest of the state; it is merely bringing up the rear of the train.

Learnfare

Learnfare and Children First, the other two programs I studied in Wisconsin, do not have the history and the reporting to permit the same sort of quantitative analysis as of JOBS. However, they amplify the nature of the paternalist approach to welfare that is developing in the state. Learnfare, which was enacted in 1987 and implemented in 1988, requires that welfare children aged 13-19 stay in school until they graduate, on pain of reductions in their families' welfare grants. The requirement was extended to children aged 6-12 in four pilot counties in September 1994.

When families apply for welfare or recertify their eligibility, as they must do semiannually, children with a history of missing school are identified. A list of them is sent to local schools, who are then supposed to monitor them and report subsequent absences to welfare. Teens subject to monitoring who miss three or more full days of school in a month without an excuse, or who drop out, are excluded from the welfare grant for that month. The point is to get welfare adults to take more responsibility for whether their children are truants. In December 1993, 25,921 teens were subject to Learnfare (among them 3,656 teen parents). Of these, 3,345 or 13 percent faced attendance monitoring, and of those 864 or 3 percent were sanctioned for poor attendance or dropping out, a figure typical of most months.⁷⁰

Learnfare's major difficulty has been that some school districts, notably in Milwaukee and Dane Counties, have failed to certify attendance to welfare effectively. This partly reflects differing definitions of attendance and nonattendance and difficulties interfacing reporting systems, but it mainly reflects the big-city schools' view that the program is punitive. In Milwaukee, which has much the largest number of students subject to monitoring, charges arose that some students were being penalized unfairly. A lawsuit by poverty lawyers forced the state in 1992 to institute special procedures to "reverify" absences in the city prior to imposing sanctions. This step delays penalties for two or three months, something regretted by Learnfare administrators.

Case management was not part of Learnfare's initial design. It was added in 1991 due to the lawsuit and because federal officials required it as a condition of waiving normal federal welfare rules to accommodate the program. Local welfare departments assign teens subject to monitoring or sanctions, or who have excuses from school, to case managers, who are supposed to contact them and help work out whatever problems have kept them from attending. The staff can provide child care and transportation. However, the teens do not have to accept their aid, and the managers have no control over whether someone is sanctioned.

The philosophy behind the program is explicitly paternalist. The state describes it as "tough love." The threat of sanctions and the case manager are supposed to work together to motivate teens to

take school seriously. The sanction is the “catalyst,” case managers are taught, that will get families to work with them to resolve problems. “Strike a balance between caring and toughness,” they are told; help students, but make sure they know that “you mean what you say.”⁷¹

Whether the program succeeds in improving school attendance is unclear. An initial evaluation by the Employment and Training Institute at the University of Wisconsin-Milwaukee found that it did not. The state rejected the finding, claiming methodological weaknesses. A new study by the state’s Legislative Audit Bureau is now underway, but results will not be known until 1996.

An evaluation specifically of the case-management component found that only 14 percent of teens in Learnfare accepted the service. One reason was that doing so was voluntary, because the case managers controlled no benefit. Another was that many Learnfare students were already being served by truancy personnel or other social agencies. The procedures surrounding case management was also forbidding.⁷² It is clear that delays in sanctioning need to be reduced in Milwaukee and that case managers need more authority. They were, in fact, given power over sanctions in the extension of Learnfare to preteen students that began in 1994.

At this point, one can only say that the omens are favorable. Some school districts report that, since the program began, the attendance and performance of welfare children has improved and parents are more involved in their children’s schooling. Officials attribute the gains specifically to the availability of case managers to build a relationship with troubled teens and their families.⁷³

The potential of Learnfare is perhaps best shown in Kenosha and Sheboygan, the same counties found earlier to excel in JOBS. Both pursue Learnfare monitoring and case management zealously. Kenosha is one of the few counties to automate the reporting connection between the schools and welfare, so that it reliably finds out which teens are truant. Kenosha case managers are unusually aggressive in seeking out students they are supposed to help. Rather than just send letters, they call people up and make home visits. The payoff is that, in the above evaluation, the share of eligible teens who accepted case management was 34 percent in Kenosha, the highest for any of the ten counties surveyed. And of teens who accepted the service in Kenosha, more than half found it helpful. The feature they praised most was the “personal relationship” they had with the case manager.⁷⁴

Children First

Even more than Learnfare, Children First suggests the potential of paternalism and reveals its inner workings. The program was authorized in 1987, implemented initially in 1990 in Racine and Fond du Lac, then in 1993 extended to seven more counties, including Dane. Counties are supposed to refer to it low-income noncustodial parents who owe child support judgments, are delinquent in paying them, and have no current means to pay. The vast majority are poor men. The program is not limited to welfare parents, but in fact most participants have children living on AFDC.

Of all delinquent noncustodial parents, these are the most disadvantaged. They are the toughest to get to pay because they are the hardest to locate and have the least to lose by not paying. Traditionally, local courts deal with such fathers in a punitive, but ineffective manner. Child-support lawyers find them and bring them before family court charged with nonpayment. Judges tell them to get a job and pay, but there is little supervision to see that they do so. When, on further nonpayment, they are hauled back into court, they can claim that they could not get a job, and a judge hesitates to hold them in contempt.

With Children First, the payment obligation is temporarily eased, but good-faith effort is

enforced. Parents remanded to the program must either pay their judgments for three consecutive months or participate in the program for sixteen weeks. If they choose participation, they need not pay during it, although their arrears continue to build. The debt they owe AFDC for supporting their families is reduced by \$4.25 for every hour they participate. In return, they face a verifiable obligation. They can be held accountable for participating the way they cannot for getting a job. If they fail to show, the program will send them back to court, where the judge now has clear grounds to hold them in contempt and send them to jail, although some get a second chance.

Children First operates mainly to enforce support payment, not to serve the fathers. Seventy-seven percent of the parents referred to the program discharge their obligation by paying their judgments. The program often has a “smoke-out” effect, forcing men to reveal hidden income in order to pay. Only 23 percent of referrals comply by entering the program. Although the main program activity was conceived to be unpaid work in government jobs, only a minority of clients are so assigned; job search, education, and training activities are more common.⁷⁵ The program seems to work because it is an enforceable activity, not because it is particularly punitive.

Like Learnfare, the program is two-faced, combining what the state frankly calls “punitive” sanctions with a commitment to “helping some clients develop job skills so that they may find a job and pay their support obligation.”⁷⁶ The key to executing that combination is the case manager. Men assigned to the program are turned over to him (most case managers, understandably, are men), and he decides, in consultation with them, what they will do. He helps them get into training or employment, but he also stresses their obligations and checks up on whether they comply. If they fail, he has the power to send them back to court. Thus, he has authority over the “stick” as well as the “carrot,” as the Learnfare case manager does not.

Of the two pilot counties, Fond du Lac implemented the program in the more literal way, for the most part simply referring the fathers to the JOBS program and then, if they failed to find work, to unpaid job sites or education. Kenosha-like, Racine has been more insistent on actual work, but also more imaginative. Its goal is to “assure that clients become employed and make child support payments,” with remediation secondary. It requires more people actually to look for work, but it also offers more other options, including basic education and a “parental responsibility class,” in which fathers are confronted with their responsibility to support their children.⁷⁷ The fathers are taught that paying support is the price of visitation rights, and they are asked what obituary their children would write about them if they were to die today.

Both counties rely heavily on strong child-support operations developed prior to Children First. Fond du Lac has a computerized system for tracking cases to verify payment and prioritizing cases in arrears for attention by enforcement lawyers. Racine has a special Child Support Department that brings together the prosecutors who seek judgments against noncustodial parents and the family court commissioners who render them. Children First staff in Racine credited the judicial system with giving them excellent support. The department also handles the collection and disbursement of support, so it detects nonpayment quickly. The county’s dedication is intense. It pays a staff of 35 to hold 350 support hearings a week.⁷⁸ In Racine, enforcement has become an end in itself, not only a means to support. The bottom line, in the words of one manager: “We take control.”

Like Learnfare, Children First has some problems that need fixing. It should pay for more service options than it does, require more hours of participation, and demand that participants actually enter jobs before their obligation to the program is discharged.⁷⁹ However, the evidence of an impact is

much stronger to date than for Learnfare. While there has been no controlled evaluation, two lesser studies are strongly positive. In the latest of these, support payments were found to have increased 61 percent in Fond du Lac, 237 percent in Racine, and 132 percent overall between the six months before parents entered Children First and the six months after. The number of parents paying support jumped 37 percent in Fond du Lac, 83 percent in Racine. The frequency of support payments also rose 179 percent in Racine. The gain in support was almost enough to recoup the \$200 paid by the state to the two counties for each participant. Racine's edge in the results occurs partly because its payment level prior to the program was lower (due to a more disadvantaged clientele). It also may have implemented the program better.⁸⁰

Much of the credit for this likely success appears to lie with case management. Children First outperforms prior enforcement programs even in Fond du Lac and Racine.⁸¹ The reason is apparently that these did not involve the same degree of personal supervision. In Children First, there is no escape from oversight. In Racine, the program's cases all come before the court commissioner on the same day, so that the case manager can be there and make personal contact with the fathers immediately after they are remanded to him. The clients get the message right away, in words of one state official, that the managers "don't mess around." The men get more personal attention than they would from an ordinary employment program, because the manager is dedicated to their needs. At the same time, he detects backsliding and confronts them about it. As one Kenosha case worker remarked, "There's nothing more motivating than to have someone bugging you."

PART 3: NATIONAL POLICY

What does the Wisconsin experience suggest about how best to run welfare-reform programs, and about national policy? Below, I consider first case management as a strategy, the potential of paternalism more generally, public-management implications, recommendations for legislative change, and the restraints imposed by welfare politics.

Case Management

If paternalism means the attempt to enforce values through combining benefits and requirements, then case management is at the core of such programs. I mean by it the use of staff to supervise welfare clients closely, especially to see that they undertake required activities, such as looking for work or attending training classes. Case management may well be an underexploited strategy in social administration. There seems little doubt that it helps explain the success of JOBS in Wisconsin, particularly in the more forceful counties, and it seems crucial to whatever effect Learnfare and Children First are having.

In the Family Support Act, case management is understood as a service that JOBS may provide to clients. Most JOBS programs do. The service typically involves some combination of brokering other services for the clients and monitoring them to see that they fulfill assignments. States have invested in case management, in part, out of concern to raise client involvement in JOBS in order to meet the federal participation mandates.⁸²

One traditional meaning of case management is to give staff caseloads of clients that they follow through all stages of a work program, versus a functional organization where different employees handle different stages. In the first case, the same person oversees the recipient's initial assessment, job search,

and referral to training, while in the second, different people do. Another meaning is to assign staff smaller caseloads than normal so that they can interact with each client more intensively. Past research does not suggest that case management in either of these senses improves the performance of a welfare employment program.⁸³

However, I mean by case management neither of these things, but simply overseeing individual clients closely for performance of their obligations. That approach could occur with either caseload or functional organization. And, to judge from the Wisconsin experience, it can occur with caseloads of varying sizes. What matters more than caseload is the energy of the managers — whether they are determined to keep tabs on all the individuals assigned to them. One reason the small-caseload experiment may have shown no impact is that it occurred in Riverside County, a JOBS program in California that has parlayed tough participation and work standards into notable impacts. In a program that was not already so demanding, case management might well have more effect.

In Wisconsin, reform programs determined to have impact have invested in this approach. The Thompson administration adopted case management as a strategy only gradually. When it first took office, it trimmed welfare benefits, a step requiring no client supervision at all. Case management was not part of the original design of Learnfare, but was added to it after legal challenges. It was, however, part of the design of Children First, then of Work Not Welfare. One of the first steps Dane County took to turn around its JOBS program was to triple the case managers from four to twelve, so that more clients could be called in and supervised. In Milwaukee, one reason the current team structure has improved performance is apparently that it reduced vast, inert caseloads at the Job Service, permitting closer supervision of people in job search.⁸⁴

Case managers appear to motivate their clients with a combination of help and hassle. Liberals tend to see case managers as advocates who see that clients get needed services and benefits. That effort reflects “a commitment to individualizing services and creating a more responsive social service system.”⁸⁵ The image is not invalid. In a complex bureaucracy, recipients, many with limited ability, do need help from knowledgeable insiders to get the assistance they need.

At the same time, in Wisconsin, the monitoring role is clearly more important. Case managers suggested in interviews that their key purpose was to levy expectations on their clients so they would help themselves. To do that, close attention was vital. “Making them active, tracking them, not letting them sit there in limbo” — this was what got people moving, according to a case manager in Sheboygan. “Contact! ... Once a week, twice a week, there’s no such thing as too often,” said a Riverside supervisor; “it reminds them that you *care*, and that you’re *watching*.” Said Riverside’s JOBS director, “It’s really simple: you’ve got to be all over every client like flypaper! Every day.”⁸⁶

The surprising thing is how positively the recipients respond. According to my sources, they not only tend to do as they are told, but they *like* it. Supervision, to them, is a sign of concern. They are, as one state official said, “pleased someone showed interest and wanted them to succeed.” “I keep bugging them,” said a case manager in Racine, so that “They know that we care.” A satisfied response is seen also in the surveys MDRC does of participants who are put in unpaid work in the welfare employment programs it evaluates. These are clients who have not gone to work on their own. They are now required to do so. One might expect upset. Yet, by large majorities, they embrace the work requirement and say they feel good about having to work.⁸⁷

The hassling can sometimes sound positively hostile, especially in programs that deal with poor

men, who typically require stronger direction than women. Some of the case managers I met in Children First were definitely gruff. One man I know in Milwaukee, who works for a private employment program — not Children First — summarized his message to his male clients this way: “I’ll do anything to help you. I’ll get you a job. But if you disappoint the employer — if you make me look bad — if you screw me over — you better watch out. I’m coming after you. *I’m in your face*. You’ll wish you’d never been born.”

“*In your face*” — most middle-class people would take strong offense at such treatment. But they are accustomed to more positive forms of attention from others. For poor people, such a message gets results, and addresses deep needs. It implies that they are important. *Many of them never had anybody come after them*. They often grew up in neglectful families where parents paid them little attention of any kind. What pleases them about case managers appears to be that they are consistent, that they operate by a set of rules. And by fulfilling their expectations, the clients can get on the right side of authority. Enforcing the rule actually puts them in control.⁸⁸

Their deferential response, so curious to the better-off, is consistent with what we know of the psychology of poverty.⁸⁹ Most adults who are poor for long periods, other than the elderly or disabled, have difficulty living by their own intentions. In principle, they want to work and avoid crime or unwed pregnancy, but they have trouble doing so in practice. They need a situation where they receive help to function, but in which “doing the right thing” is enforced. Paternalist programs provide that two-faced structure, and their staffs realize this. Learnfare, said one respondent, offered clients “a stick and a carrot.” They needed the sanction, said another, to “get their attention,” after which they might listen to the case manager. Children First, said a case manager, threatened the “hammer” of judicial sanctions so that the case manager could be a “positive force.” The manager had to be the “overseer of a participant’s life,” remarked to JOBS supervisor in Milwaukee. For only if clients knew that staff were “aware” of them would they “stay on top of things” themselves.

Many schemes to overcome poverty presume that dysfunctional behavior will change if society deters it by strong sanctions — for instance, the abolition of welfare or tougher law enforcement. But the seriously poor typically do not respond well to incentives conveyed only by impersonal social structures. More than most people, they need to have the expectations brought home by human beings who interact with them personally. JOBS programs that levy strong demands on clients to enroll or look for work incur lower levels of sanctioning than those that do not — not higher, as one might expect (see Table 4). In levying such demands, case management is much more effective than formal authority alone. As several Learnfare workers told me, teens subject to the program need a “one-on-one” relationship to understand what is at stake for them in dropping out of school. “They have to see a body.” If they merely faced the sanction, “They would be lost.”

Paternalism addresses the deepest scarcity of the seriously poor — which is not in income, but relationships. Typically, these are people cut off from the wider society by their inability to fulfill normal expectations. Oscar Lewis once wrote that the solution to the culture of poverty was not improved income or opportunity alone, but institutions able to integrate the poor with the larger society.⁹⁰ Those who say, following James Coleman, that the poor lack “social capital,” or relationships they can count on, are on the right track.⁹¹ But exactly because of the functioning difficulties, those relationships cannot initially be even-handed. Government must take the lead in creating them, paying professionals one way or another to relate to difficult people in need.

Essentially, that is what case managers in welfare-reform programs do. They establish relationships with recipients sufficient to help them, and to enforce social rules. They may also organize

groups of recipients that meet to build mutual support — and to reinforce the expectations levied by staff. In Racine and Dane, Children First had groups where fathers grappled with the problems and responsibilities of absent parenthood. Dane had a group for teens in Learnfare funded by private money. Jobs clubs, in which clients look for work together, both encouraging and challenging each other, are a staple of employment programs everywhere. As one highly directive job-club manager told me in Milwaukee, the virtue of groups is that “We’re straight with people.”

Assessing Paternalism

The great advantage of paternalism as a reform strategy is that it reduces dependency in ways consistent with public values. Ordinary Americans combine a strong upset at welfare with a commitment to help the needy. Public anger centers on the perceived “abuses” of the system — particularly unwed pregnancy and nonwork by the adult recipients — but support for the principle of aid, even for AFDC itself, is surprisingly strong.⁹²

Hence, most people reject the traditional liberal ideal of aid on the basis of entitlement. At the same time, most question current conservative proposals to time-limit aid regardless of employment or to put welfare children in institutions. Their preference is not to cut welfare, but to turn it into a work program, even if welfare ends up costing more than now.⁹³ In the words of one Wisconsin official, “The general public would rather spend more money to get people working, to be responsible.” When and where JOBS is effective, it starts to realize that vision. Work enforcement means that dependency is cut, not denying the principle of aid, but by more recipients going to work. This is exactly what both the voters and the recipients want.

Some would say that other values are compromised. The welfare-rights movement of the 1960s sharply circumscribed discretion in welfare administration. Before then, social workers often dictated that poor women do things such as avoid men or raise their children differently if they were to get any aid. After 1970, welfare was given pretty much on the basis of financial need alone, and recipients did not have to accept social services. People on the left feel that the current drift toward enforcing demands such as work will roll the clock back, reconnect aid and services, and undo welfare rights.⁹⁴

But the old welfare regime claimed condescendingly to levy its demands only for poor people’s own good. The new regime does so, at least initially, for the good of society. The poor also benefit from the enforcement of values they share, but programs like JOBS assert the social interest much more candidly than before.

Also, the old regime allowed caregivers to set standards for the dependent on their own authority, without explicit warrant from the society. The new regime acts on the basis of enactments by Congress or state legislatures. Discretion is limited to what is unavoidable in the application of rules to specific cases. The new welfare requirements, unlike the old, can claim the authority of democracy. Society has simply said to the poor, as another Wisconsin official put it, that “We have higher expectations for you now.” By specifying obligations, like benefits, in law, the new paternalism represents not the denial, but the completion of welfare rights.⁹⁵

Conservatives, for their part, might call the new paternalism a return to the failed programs of the Great Society. They have in mind particularly the vast expansion of services spending that Congress authorized in 1962, in the vain hope that social workers could somehow move the welfare class toward “self-support.” It was the failure to stem the growth in welfare that way that, more than anything else,

prompted the turning toward work requirements beginning in 1967.⁹⁶

Welfare reform in a place like Wisconsin, however, is a far cry from the indulgent social work of the 1960s. That was passive service provision, unable to change lifestyle. This is much more directive, aimed precisely at altering behavior. That was investment in the poor, an idea still endorsed by many liberals.⁹⁷ This is enforcement of good behavior, with most of the investment going to the bureaucracy. As a general antipoverty strategy, paternalism is new.

A paternalist approach to poverty may be more practicable than the strategies usually urged by left and right. In the past, both liberals and conservatives thought that changing the payoffs embedded in welfare could cause more recipients to work and marry. Liberals wanted to strengthen “work incentives” and extend welfare coverage to intact families, while conservatives wanted to cut back or abolish welfare. Research and policy experience, however, suggest that such changes, at least on any likely scale, will change behavior only slightly.⁹⁸

Other liberals propose intensive social-service and health programs that can heal troubled families from within. Through early-childhood education or family intervention, committed caregivers can address multiple problems and thus improve functioning.⁹⁹ The trouble, again, is that effects are small, except in the most exemplary programs. And intervention in depth makes such demands on the bureaucracy that intensive programs could never be generalized to the nation, or sustained for the long term. There simply are not enough talented, committed people willing to devote their lives to tending families in crisis, probably not at any price, and certainly not at the salaries society is willing to pay. “Burnout,” or bureaucratic mediocrity, would be inevitable.¹⁰⁰

Recently, some conservatives have suggested a different institutional strategy — putting the children of incompetent parents in orphanages or boarding schools or requiring single mothers and children to live in group homes under supervision.¹⁰¹ Some of this will be unavoidable for the most troubled families, and group homes are an attractive idea for teen welfare mothers.

However, it is hard to argue that institutionalizing children would be preferable to foster care, which is already well-developed, except for the most troubled children. Even if it were, orphanages would be unaffordable on any large scale.¹⁰² It is also doubtful that any reform strategy that focuses entirely on children can succeed. Parents, even the most dysfunctional, have too much influence on their offspring to be gotten around. Something must be done to restore order to their lives, even if the payoff in improved capacities will come only in the next generation. That is why group homes may be better idea than orphanages — they involve the mother as well as her children — and why enforcing work and law-abidingness among adults are essential to any antipoverty strategy.

Paternalism has more influence on behavior than incentives and is more practicable than intensive intervention or institutional care. A supervisory strategy requires that case managers interact with clients enough to enforce social rules, but not that they involve themselves intimately in their lives. That is a role that could be institutionalized widely, not only in exemplary programs, and may be sustainable over the long term. The essence of bureaucracy, after all, is to administer rules. And supervision through programs like JOBS costs a lot less than institutionalizing people.

Some conservatives have recently argued that work requirements are merely symbolic. Allegedly they vindicate the work ethic, but do little to help children and strengthen weak families, which are the real social crisis in America.¹⁰³ Reality is more complicated. Some conservative reformers want

to cut back welfare support for teen mothers, on the view that this would catalyze the underclass. But there is little evidence doing this would raise work or marriage levels by much. It is then cuts that are symbolic, underlining the social commitment to individual responsibility and independence.

Conversely, enforcing work is more than moral posturing. It has a power to control welfare, as shown above, and it does something to help children and families. More income is in itself helpful to children's development, and it should best not come from welfare.¹⁰⁴ One might expect that demands that welfare mothers work might damage offspring, who will get less attention. Some also fear that to put children in child care at a young age is damaging. Research finds, on the contrary, that for a single mother to work is probably good for disadvantaged children and that child care has remarkably few discernible effects after the first year life.¹⁰⁵

The real limitation of paternalism, like other antipoverty approaches, is that it cannot change people after childhood. From the poorhouses of the nineteenth century to the present day, no institution that claimed to transform adult personality has succeeded.¹⁰⁶ Paternalist strategies should not resurrect that hope. Demanding welfare programs should expect only to improve behavior. One implication is that behavioral requirements that may be added to welfare must last as long as people are dependent. Indeed, the more long-term cases are the most in need of supervision. There is little prospect that at some point, the entrenched poor would become capable of living on their own.

The change in behavior that paternalism achieves is also limited. That is clear from the Wisconsin results. As Table 4 showed, even the most demanding JOBS programs do not have all their clients enrolled, let alone working. Past research suggests that perhaps a third of welfare adults officially classed as employable will leave the rolls on their own, with little prompting. The next third in terms of ability is the one where work programs make a difference in how many work.¹⁰⁷ Recipients in the bottom third may be too impaired to work regularly. For them, some lesser form of service, such as volunteer work in the neighborhood, may be all that can be expected.¹⁰⁸

Much the same appears true in child support. Many more runaway fathers can be made to pay support than now are, but there is a limit. Racine, armed with its special bureaucracy and Children First, has as tough a child-support operation as the nation is ever likely to see, yet a family court commissioner there remarked that "In Wisconsin, we'll find a third [of the fathers] and get them to pay, and there's a third we'll never find." Children First "gives us a shot at the other third."¹⁰⁹

While sanction rates are low in JOBS, they run high in Children First, notwithstanding the program's apparent impact on support collections. In Fond du Lac, only 35 percent of parents assigned to Children First successfully discharged their obligation by participating or by paying their judgments, and in Racine, only 39 percent did. Conversely, 83 percent were out of compliance with the program at some point in Fond du Lac, 85 percent in Racine. Indeed, in Fond du Lac, 54 percent had been returned to court to face contempt charges, and 13 percent were actually jailed.¹¹⁰

To be sure, child support involves hard cases. Poor men are more refractory than poor women. In Racine, a Children First case manager estimated that 20 percent of his clients were felons, 10 percent drug or alcohol abusers, 11 percent disabled (many were on SSI). On average, they had been out of work for 14 months before entering the program. This the same population of very disadvantaged, single men that shows up on general assistance and in homeless shelters across the country. For men so difficult, some form of institutionalization may be unavoidable. Even paternalism assumes some threshold of orderliness, and some of the hard-core poor may not qualify.

To enforce order outside institutions, moreover, requires a top-class government, such as Wisconsin has. Few states can match the special combination of political and bureaucratic assets that make this administrative approach to reform feasible. Few have Wisconsin's favorable social milieu. That is why change by this route cannot come quickly and why, as I note below, further steps are needed to promote it .

Public Management

What conclusions can one draw from the Wisconsin experience about how best to operate welfare reform programs?¹¹¹ One clear implication is that the way many people in Washington understand reform is wrong.

Most policymakers and experts cast the reform process in economic terms. To them, to implement a program like JOBS means to provide "resources" for benefits and services and then share them out among willing recipients. JOBS's goal is to cover all the clients with the needed child care and training. The program is pictured as voluntary and passive, the servant of its clients. Its task is to determine if those "seeking to enroll can benefit from the services offered."¹¹² It is also seen as reactive, driven by client demands and federal mandates. Overwhelmingly, what the program needs is simply more money. That image describes well the day-to-day concerns of many state and local officials struggling to meet federal requirements, especially in states with less formidable governments than Wisconsin.¹¹³

It misrepresents, however, the central task of reform, which is to create a new regime around the dependent. That is a mission for public authority as much as economic analysis. In Wisconsin, program officials do not represent their main problem as resources. Most of them assume that the services clients need to participate in JOBS, such as child care, are already available — if not through JOBS, then in the community. In Wisconsin, like other states, it commonly is unnecessary for JOBS to fund training or education, because the clients can get these services, often for little or no money, simply by enrolling in other local programs, such as community colleges. To arrange those referrals is part of the brokering case managers do.¹¹⁴ Resources, no doubt, are more adequate in Wisconsin than in many other states, and they may become inadequate even in Wisconsin as JOBS expands.

In general, however, the main challenge administrators face is not providing services, but getting their clients to make use of what is already available. Their problem is seldom that people are battering the doors down trying to get benefits that are unavailable. It is rather that they do not consistently come forward to get what the program offers. That is why JOBS, Learnfare, and Children First are all mandatory programs. Apart from a few volunteers, they have to *require* their participants to get involved. Some might say that this is only because they do not offer what people want. If they allowed more preparation for "better" jobs, rather than placement in low-paying ones, they would get a better response. But even JOBS programs that are voluntary and fund education and training lavishly fail to attain participation levels above the norm.¹¹⁵

The truth is that going to work is difficult for anyone, most of all for disadvantaged adults. Confronted with challenges, the poor tend to withdraw, not advance. Overwhelmingly, the way clients in all of the programs studied come into noncompliance is not by overt conflict. It is simply by declining to show up for meetings or other assignments — what is known in the trade as failure to report (FTR). The way clients are usually sanctioned in JOBS is simply by incurring two successive FTRs. The effective programs are those, above all, that counter the withdrawal reflex vigorously. They insist that the

employable enroll in the program, monitor their involvement closely, and pursue them relentlessly if they drop out. The most effective WIN programs did that. The best JOBS programs do it today, as in Kenosha, Sheboygan, or Riverside, California.¹¹⁶ Equally in Child Support, to judge from interviews, the reason Racine outperforms Fond du Lac in Children First is probably that case managers in Racine are highly directive, while in Fond du Lac, they offer “options” and are more receptive to client “input.”

The main instrument that managers wield in welfare is not money or services. It is public authority. Perhaps the scope of welfare will be cut in Washington, but whatever remains must still be reformed. Change will still involve requiring the adult recipients to do more to help themselves, especially to work. And getting them to do that will mean enforcement through some combination of benefits and requirements. Viewed from the grass roots, *welfare reform is an administrative problem* first and foremost.

To achieve and sustain participation, two structures within a program seem most crucial: staff supervision and monitoring systems. Above all else, effective programs need personnel to check up on clients and meet with them regularly. To do that, case managers may well have to follow clients out into the marketplace. America Works, a private-sector job placement program in New York and other cities, has raised retention in jobs by hiring “corporate representatives” who monitor clients on the job. They help work out problems with bosses and coworkers, so that the recipients do not leave or get fired.¹¹⁷

The second essential is systems to permit monitoring whether clients comply with their assignments. How are the case managers to know what they do when they are out of sight? Programs like JOBS face a demanding feedback problem. They must be able to find out what a given recipient is doing at a given point in time. They also need to know how many clients are in any given stage in the administrative process. This allows program supervisors to spot bottlenecks and overcome them. One reason for Kenosha’s achievements in JOBS is that it developed a special reporting system able to do these things before a comparable system was available statewide.¹¹⁸

Like supervision, monitoring must extend beyond the program. One needs to know, not only whether participants are fulfilling assignments within JOBS’s core agencies, but whether they are attending education or training classes run by contractors or looking for work. Good JOBS programs persuade educational institutions like community colleges to report attendance rigorously, sometimes paying special staff to do it. Public schools’ refusal or inability to report attendance has hobbled Learnfare in Dane and Milwaukee. A constraint on the effectiveness of Children First is that it does not yet have a reporting system that extends to clients’ employment activities as well as their support-payment histories.

To monitor job search, one has to know if clients are actually contacting employers. One way to do this, seldom used, is to call up businesses and ask. Another is to quiz participants about their job search and see if they give credible answers. Some staff require that they turn in logs detailing whom they interviewed when. Most case managers who mentioned the problem in Wisconsin thought they could tell whether clients were looking seriously just by talking to them. The main reason to have unpaid work assignments available is not usually that private jobs are lacking, but as an enforcement device. One can assign to these slots people who persistently fail to get outside jobs, and thus convince them to take job search more seriously.

Another question is whether participants may already be working “off the books” — that is, without telling welfare, in order to avoid reductions in their grants. Unemployment Insurance reporting will eventually detect such jobs, at least if they are legal, but only after delay. Another device would be

to require that recipients known to be working bring evidence of their earnings and working hours to welfare at the end of the month. Welfare and other subsidies, such as the Earned Income Tax Credit, would then be treated as supplements to wages.¹¹⁹

Solving these supervision and reporting problems is one of three essential tasks of JOBS managers, to judge from research. The others are to motivate their staffs and build accountable ties with surrounding agencies. Motivation requires communicating a mission to one's subordinates and then holding them accountable for achieving it through some system of performance measurement. Effective contracting requires negotiating deals with providers that set definite performance expectations, a process that can be conflictual.¹²⁰ The most effective local JOBS programs in Wisconsin do all these things well. Kenosha's has a motto, "Expect Success." It demands results from everyone involved in the programs, staff and contractors as well as clients.

Building effective programs is now much the most important task in welfare reform, not only locally but nationally. Twenty years ago, Washington's main concern in welfare was that localities run professional operations and satisfy federal rules about humane treatment of clients.¹²¹ The recent movement has been away from process controls and toward performance standards. The federal government allows local programs wide administrative latitude, but it demands that they achieve specific error rates in quality control or participation levels in JOBS. Thus, for Washington as well as local communities, the future of reform rides on the success of those local case managers in involving recipients in their programs.

National Policy

The final question is what the Wisconsin experience might suggest about federal policy. Effective management cannot accomplish reform alone. The goals of reform have to be reconceived at the center, and some existing rules changed.

Wisconsin's best JOBS and Children First operations have the vast bulk of their clients assigned to activities in which their participation is monitored and enforced. The weaker programs are those, above all, that lack control. They have relatively few clients active, and many of those are in education activities, often "self-initiated," that are poorly monitored and only remotely connected to work. In large, urban programs like New York City's, armies of recipients pursue higher credentials irregularly and without working, while milking JOBS for child-care money. In New York, administrators can barely keep up with the recipients they are supposed to induct into the program weekly; monitoring those already on board to prevent dropouts or enforce job search is out of the question. Staff feel they are in a bunker, while hordes of recipients pour over the top.

In the first case, the program is on top of the caseload. In the second, the caseload is on top of the program. The leading goal of reform must not be to expand services to the dependent. Rather, it must be to *get control of the caseload*. That means to improve supervision and monitoring in programs like JOBS to the point where participation and work reach the levels already routine in Wisconsin's best counties. To do that will take more money and services, yet services are not the main point.

To get control does not mean to cut access to welfare, although welfare-rights advocates would present it as such. It is not to close the front door leading to aid, at least for those eligible. It is, rather, to open the back door wider — so that more people leave the rolls faster, usually by going to work.¹²² As a senior manager in Milwaukee told me, the problem with JOBS there prior to its reorganization was that it was not "moving people through."

To achieve control, the most essential task is to *enforce participation*. The Wisconsin experience confirms other evidence that reform programs must be mandatory. Specifically within JOBS, *raise monthly participation levels to 50 percent or more*, as gauged by JOBS's official measure, the level already reached in Kenosha. To do this is recommended in the Clinton Administration's current welfare reform plan, and equivalent steps are part of Republican Contract with America. Since the level mandated for 1995 is only 20 percent, to reach 50 would take several years of phase-in. I would not go beyond 50 percent initially because the cost of serving ever-more disadvantaged clients might become prohibitive.

The *hours demanded for participation should be half-time or better*, the same as under current federal rules. Fewer hours than this would be a token requirement, while the thirty-five hours demanded in the Contract would be too tough for most welfare mothers and would prevent them training, as in Kenosha, for better jobs. Once required to work half-time, many of the mothers would in fact put in more hours and leave welfare. But to change welfare, obtaining half-time work from all the employable is much more important than getting full-time from a few.

Participation should be expected immediately for unwed mothers, who today are the bulk of the recipients. Nothing less will clearly tie welfare to work and undo the aura of entitlement that still surrounds AFDC. Mothers with children under one should be given fewer hours of activity than normal, or should do volunteer rather than paid work, but should face some obligation immediately. Again, to enforce some obligation is more important than the extent of it. I would *allow a grace period, say six months, only to women who were separated or divorced*, as they typically are more functional, better mothers, and less at risk of prolonged dependency. To do this would also minimize the time and money programs spend on the more employable cases, who are likely to leave welfare on their own.

The Wisconsin record, like other evidence, also argues that the form of participation should favor actual work. Unfortunately, the Family Support Act does not mandate job search and contains presumptions that recipients aged 20 and under without a high school diploma must be put in school or other education in preference to work, even if they have dropped out of school. Instead, as in Kenosha, *mandate up-front job search for all employables and require half-time work as a condition of education or training*. The exception would be teen mothers still in high school, whose "job" would be — as in Learnfare — to stay in school and graduate. After that, they would immediately have to work at least half-time.

Although more funding will be needed to expand programs, Wisconsin also suggests that reformers should *not invest primarily in new services*. In many places, the supply of child care and education and training services is already adequate, particularly if the priority now given to remediation is cut back. New spending here should wait until there are clear shortages.

Especially, programs should *avoid big spending on government jobs*. The Clinton plan devotes much of its money to a huge buildup of public employment in order to assure jobs to recipients, who are supposed to quit welfare after two years unless they work. But public employment, on past experience, is too costly and difficult to run to be used on a wide scale. To condition a work obligation on being guaranteed a job is effectively to have little work test at all. No large county in Wisconsin, and none of the research counties, relied heavily on public employment.¹²³ Government jobs should be used, as they often are now, mainly to enforce job search in the private sector.

Rather than put people to work in agencies, *require that employable recipients past high school spend half-time working or looking for work, for as long as they are on welfare*. Work would not strictly

be required, nor would it be guaranteed. Rather, activity would be required. Most clients would be able to find jobs, and would take them rather than have to account for themselves constantly to a case manager. This position depends on the judgment, expressed by JOBS staff I talked to, that they can monitor job search for most people without putting them in government jobs.

To perform these tasks, effective reform programs must *invest in the bureaucracy*. The key to enforcement is to have enough staff to monitor all the clients. To improve oversight, simply raise required participation levels and mandate job search, as then localities will have strong incentives to hire the necessary personnel. The federal government would share the costs as it does now. Washington might provide enhanced funding for administration until caseloads were brought down to some level, say 150 cases per staff member, judged sufficient to permit effective oversight. Washington should also promote the development of improved monitoring, although some funding for management information systems is already available.

Finally, Washington and localities should *consider a paternalistic structure for child-support enforcement* that can promote work for noncustodial parents the way JOBS has begun to do for AFDC adults. It is clear that just cracking down on nonpayers is ineffective from both their point of view and society's. In welfare, the drift of reform is away from entitlement and towards a system that combines aid and requirements. In child support, policy must move the other way, from a system that already can be punitive towards one that also helps disadvantaged men meet their obligations.

Wisconsin's Children First is a compelling precedent. Other local support-enforcement experiments exist. Parents' Fair Share (PFC), a national demonstration, is running at eleven sites in nine states and is due to be evaluated by MDRC. Much like Children First, PFC eases absent fathers' support obligations temporarily, provided they participate in the program. It attempts to move them towards work and includes support groups. Accompanying reforms in the child-support system aim to make it more accommodating to the men, but also better at tracking their compliance. PFC, like Children First, seems to be achieving something. Men in the program have responded positively, and participation rates run much higher than in JOBS.¹²⁴

None of these programs has proven its impact on the payment problem, but some probably will. When more is known, Congress may want to fund such a structure on a national basis. Most likely, child-support enforcement, like welfare, must start down the road towards paternalism, difficult though that is. In changing lifestyles, the combination of aid and demands is likely to be more effective than either entitlement or enforcement alone.

Fortunately, money should be available. It is commonly said that reforming welfare must cost more than welfare does now. That might be true when reform programs were first implemented. But evaluations show that over several years, the best programs save government considerable sums — even if enforcement, rather than economy, is their main point. The costs of new services and administration are more than offset by reductions in welfare grants as more recipients go to work. That is true of JOBS¹²⁵ and may well prove true of Children First. The programs appear costly only if they do not get credit for the savings they generate.

Efficient programs typically stress employment in available jobs and encourage clients to arrange cheap, informal varieties of child care. Reform costs more than welfare only if one spends large, unproductive sums on education, training, government jobs, or child care. To do this is no more than tribute to the outdated view that poor adults cannot work due to barriers, and that the way to promote work is benefits.

The Politics of Welfare

To hear many politicians talk, the main impediment to serious welfare reform lies in public opinion. Some conservatives say the American people are too soft-hearted to contemplate the radical cuts in benefit programs, including welfare, that are needed to balance the budget and energize the underclass. Many liberals say Americans are unready to “invest” in the poor, because they reject aid as such or they fear the cost of reform.

Neither thing is true. As noted already, Americans outside government combine generous and demanding impulses. They do want to help the needy, but they are not soft-hearted. They will invest in the poor, but only if the benefits come attached to clear-cut functioning requirements. The public defends welfare, but a different form of it than we have. They want going on aid to become like going into the army: you get definite support, but in return you have to live a disciplined life.

The real barrier to reform is not public opinion, but the attitudes of policymaking elites, both left and right. Whereas the voters want to change the nature of welfare, politicians are more interested in changing its scale. Liberals want to spend more on the poor, conservatives less. To the left, what is questionable about the Wisconsin approach is that it does not spend money on the poor themselves, either in higher welfare grants or services like child care.

What is questionable to conservatives is that Wisconsin is building up government rather than reducing it. A surprising result of reform is that while state spending on welfare grants has fallen, outlays on welfare administration have risen, although the state is saving \$9 million a month overall.¹²⁶ This seems to justify the conservative charge that the main beneficiaries of the War on Poverty have been middle-class caregivers rather than the needy.

However, it is anomalous only if one thinks, as both left and right tend to, that “government” in welfare means only benefits and not enforcement. Growing bureaucracy is exactly what one should expect if the main task of reform is to get on top of the caseload. That is precisely what Wisconsin is doing. It is investing in the bureaucrats and other facilities needed to manage the recipients. Dependency is falling precisely *because* government is growing, and not in spite of it. In the same way, crime is falling, in part, because the prisons are growing. Enforcement gets results in dealing with poverty as incentives and benefits alone do not, but it does entail larger government.

The principal impediment to reform Wisconsin-style may be precisely that it requires building up the capacity of the regime. As noted above, that is a long-term process. Wisconsin is ahead of much of the nation. To promote this sort of change will take patient statesmanship at all levels of government. That is not something for which either wing of the political class has much patience. The Clinton Administration has spoken of “reinventing government,” but current thinking — left and right — takes that to mean hiving off functions to nongovernment entities or market mechanisms.¹²⁷

The core of enforcement, however, is the invocation of public authority. Paternalism operates by preference with personal, informal authority, and it can delegate many functions to nongovernmental providers. But a program cannot be mandatory unless the threat to impose some penalty or deny a benefit lies in the background. Such sanctions can be levied only by public officials accountable to the public through the usual apparatus of law, legislatures, and courts, cumbersome though it is. This enforcing function has fallen out of favor with policy experts, most of whom are economists. To rely on it is more palatable to the public than to the leaders of either party. For the moment, that limits the appeal of the Wisconsin brand of welfare reform. But in the end, welfare is a problem that only better government — and not less government — can solve.

APPENDIX

Below, I give precise definitions, descriptive statistics, and sources for the variables used in the analyses of state and county data reported above. The descriptive statistics include means, standard deviations, lowest and highest values, and — for the state data — Wisconsin's value. Standard deviations are for a population, since there is no sampling, and means are averages of the state or county figures, not based on aggregates for the nation or state. I list all the variables cited, plus some others that are not discussed because they did not prove important. The definitions and descriptive statistics come first, followed by sources.

State Analysis

Performance measure	Mean	S.D.	Lowest	Highest	Wisconsin
1. Percent change in AFDC caseload, 1989-1993:	34.5	28.0	-5.1	130.8	-3.3

JOBS variables

2. Percent of welfare adults active in JOBS, 1991:	14.9	11.5	1.0	54.3	31.7
3. Percent of welfare adults active in JOBS, 1993:	14.4	9.2	3.0	49.5	14.5
4. Change in percent of adults active in JOBS, 1991-93:	-0.5	7.8	-27.2	14.2	-17.2
5. Percent of welfare adults mandatory in JOBS, 1991:	37.7	15.5	6.4	69.1	51.5
6. Percent of welfare adults mandatory in JOBS, 1993:	44.1	13.3	20.7	73.3	40.4
7. Change in percent of adults mandatory, 1991-3:	6.3	10.9	-15.6	38.5	-11.1
8. Official JOBS participation rate, 1991:	19.7	12.5	3.3	63.4	38.8
9. Official JOBS participation rate, 1993:	23.0	13.9	8.0	82.9	30.9
10. Percent of welfare adults countable for JOBS participation, 1993:	9.9	6.9	2.1	32.8	11.8
11. Percent of mandatory adults countable for JOBS participation, 1993:	22.3	13.5	7.5	82.2	29.3
12. Percent of federal JOBS allocation spent, 1993:	70.4	21.5	23.9	126.1	98.6

Other policy variables

13. Maximum AFDC grant for a family of three, 1993:	394	156	120	923	517
14. Max grant 1993 as percent of 1992 poverty line:	42	15	13	79	56
15. Dollar change in AFDC grant, 1989-93:	18	31	-54	136	0
16. Percent change in max grant, 1989-93:	4.9	8.0	-10.5	39.0	0.0
17. Percent of benefits overpaid, 1991:	4.82	1.91	1.18	9.66	4.77
18. Percent of benefits underpaid, 1991:	0.71	0.43	0.06	2.08	0.82
19. Percent of cases with earned income, 1992:	9.7	5.1	2.7	27.2	16.1
20. Percent of cases with unearned income, 1992:	18.2	11.8	3.6	79.9	23.7

Demographic variables

21. Average size of welfare case, 1989:	2.9	0.1	2.6	3.1	3.0
22. Average size of welfare case, 1992:	2.9	0.1	2.6	3.2	3.0
23. Change in average case size, 1989-92:	0.0	0.1	-0.2	0.2	0.0
24. Percent of caseload with youngest child 6 or over:	36.3	3.4	30.1	46.7	34.0
25. Percent of caseload white, 1992:	50.5	23.1	17.3	98.2	48.7
26. Percent of caseload black, 1989:	32.9	27.2	0.0	86.5	35.4
27. Percent of caseload black, 1992:	31.0	25.8	0.3	82.1	37.2

28. Change in percent of caseload black, 1989-93:	-1.9	3.0	-11.9	3.8	1.8
29. Percent of caseload Hispanic, 1992:	9.7	13.9	0.0	59.1	6.2
30. Percent of caseload Asian, 1992:	2.7	9.6	0.0	68.2	4.4
31. Percent of caseload Native American, 1992:	5.0	10.6	0.0	51.4	3.1

Labor-market variables

32. Unemployment rate, 1989:	5.2	1.3	2.6	8.6	4.4
33. Unemployment rate, 1993:	6.3	1.5	2.6	10.8	4.7
34. Change in unemployment rate, 1989-93:	1.1	1.3	-1.5	4.1	0.3
35. Percent change in persons employed, 1989-93:	3.6	5.4	-6.3	21.0	3.7

Sources (by variable number)

- 1: Calculated from U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1990 Green Book* (Washington, DC: U.S. Government Printing Office, June 5, 1990), pp. 574-5, and U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1994 Green Book* (Washington, DC: U.S. Government Printing Office, July 15, 1994), pp. 391-2.
- 2-11: Calculated from JOBS data for fiscal 1991 and 1993 from the Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services.
- 12: Calculated from *1994 Green Book*, p. 349.
- 13-14: U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1993 Green Book* (Washington, DC: U.S. Government Printing Office, June 7, 1993), pp. 657-8.
- 15-16: Calculated from *1990 Green Book*, pp. 561-2, and *1993 Green Book*, pp. 657-8.
- 17-18: *1994 Green Book*, pp. 426-7.
- 19-20, 22, 24-5, 27, 29-31: *1994 Green Book*, pp. 412-15.
- 21: U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1991 Green Book* (Washington, DC: U.S. Government Printing Office, May 7, 1991), pp. 631-3.
- 23: Calculated from variables 21-2.
- 26: *1991 Green Book*, pp. 631-3.
- 28: Calculated from variables 26-7.
- 32: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1992* (Washington, DC: U.S. Government Printing Office, 1992), p. 402.
- 33: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1994* (Washington, DC: U.S. Government Printing Office, September 1994), p. 399.
- 34: Calculated from variables 32-3.
- 35: Calculated from U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1991* (Washington, DC: U.S. Government Printing Office, 1991), p. 387, and *Statistical Abstract 1994*, p. 399.

County Analysis

The county analysis mostly uses variables expressed as percentages of registrants in JOBS. Registrants included all those supposed to be in JOBS at the end of 1992, plus those referred at any time in 1993, whether or not they enrolled or participated. In calculating these percentages, the denominator was the registrants while the numerator was the number of registrants who ever had the characteristic measured by the variable during 1993.

Performance measures	Mean	S.D.	Lowest	Highest
1. Percent of registrants entering jobs expected to last 30 days:	22.0	6.2	9.3	37.7
2. Percent of registrants working full- or part-time on welfare:	30.9	7.9	14.9	58.1
3. Percent of registrants whose cases are closed:	48.5	5.7	35.0	63.3
4. Percent of job entrants followed up still working at 30 days:	84.3	9.1	47.1	100.0
5. Percent of job entrants followed up still working at 180 days:	55.8	11.1	25.6	78.9
6. Average wage of registrants entering jobs:	5.60	0.40	4.54	6.79

Administrative variables: *percent of registrants ...*

7. Enrolled in JOBS:	42.9	6.3	26.4	61.7
8. Assessed for employability:	32.8	14.4	0.0	60.0
9. In job readiness activities (motivation, job search training):	15.0	9.1	0.7	54.9
10. In job search (seeking unsubsidized jobs):	13.6	6.1	3.1	33.2
11. In job development (staff help to find an employer):	1.8	3.8	0.0	28.8
12. In an active component (assessment, counseling, job readiness, job search, job development, training, unpaid jobs, work supplementation, on-the-job training, remedial education, post-secondary education, or working full- or part-time):	72.9	6.6	58.9	94.5
13. In holding statuses (clients who are post-job-search, on hold, scheduled to participate, unassigned, or whom staff have no intention of serving or ask to be exempted as disabled):	66.0	19.9	19.2	111.2
14. In counseling (usually for noncompliance):	5.8	8.2	0.0	37.6
15. In adjudication (clients in reconciliation or who have been recommended for a sanction):	28.9	12.1	3.7	59.9
16. Sanctioned for noncompliance:	9.3	4.5	2.1	24.7

Service variables: *percent of registrants in ...*

17. Subsidized employment (on-the-job training or work supplementation):	2.1	2.5	0.0	14.9
18. Unpaid government jobs (unpaid work experience or working off grants):	6.1	4.0	0.7	24.7
19. Remedial education (English as a second language, adult basic education, general educational development, high school equivalency, etc.):	9.5	4.1	2.7	24.7
20. Postsecondary education:	7.3	3.0	2.8	19.2
21. Job training:	3.7	3.1	0.6	21.9

Demographic variables: *percent of registrants who are ...*

22. Disadvantaged (on AFDC for 36 out of last 60 months, single parent under 24 who lacks a high school diploma or much work experience in the last year, or in a family due to become ineligible for AFDC within 2 years due to the youngest child turning 18):	38.8	8.2	21.6	73.4
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23. Male:	27.5	5.2	13.9	38.4
24. Under 25 years of age:	14.4	2.3	8.2	19.4
25. High school graduates:	57.9	7.4	40.1	87.1
26. Handicapped:	5.1	3.2	0.1	14.7
27. Black:	2.8	8.8	0.0	56.2
28. Hispanic:	2.1	2.8	0.0	12.3
29. Asian:	3.4	6.4	0.0	29.5
30. Native American:	4.2	11.7	0.0	90.6
31. Volunteer (clients not mandatory for JOBS):	4.8	2.5	0.4	13.8

Labor-market variables: *for the county ...*

32. Unemployment rate (adults who are jobless and seeking work as a percent of all those working or seeking work):	5.8	2.2	2.2	19.2
33. Percent growth in employment, 1992-3:	3.1	2.7	-2.2	10.8
34. Labor-force participation rate (persons working or seeking work in 1993 as a percent of county population in 1992):	52.6	5.1	35.0	64.4
35. Average wage (annual average pay divided by 2000 hours):	9.86	1.51	6.85	13.34
36. Poverty rate (federal poverty measure), 1989:	11.9	5.7	2.2	48.7
37. Population density (persons per square mile), 1992:	148	467	8	3,940
38. Size (JOBS caseload as a percent of the JOBS caseload in all counties):	1.4	4.7	0.1	40.1

Sources (by variable number)

The percentage variables were calculated using as denominators figures for the JOBS caseload in each county. The caseload was defined as the sum of registrants “carried-in” from 1992 plus new referrals during 1993. The numerators were the numbers of clients from each caseload who entered the status indicated by the variable during 1993.

For the performance, administrative, and service variables, the data came from regular reports of the Wisconsin Integrated Data System-Work Programs Reporting System, or WIDS-WPRS.¹²⁸ Sources for the caseloads were: 1992 “carry in” from WIDS-WPRS 1992, report 56, 1993 referrals from WIDS-WPRS 1993, report 60. Data for the demographic variables came from special runs done by the Department of Health and Social Services (DHSS); the caseloads differ somewhat from the WIDS-WPRS reports because the data were compiled later. Sources for the numerators and the labor-market variables were:

- 1: WIDS-WPRS 1993, report 49.
- 2: Sum of clients in full- and part-time work from WIDS-WPRS 1993, report 63.
- 3: WIDS-WPRS 1993, report 60.
- 4-5: WIDS-WPRS 1993, report 48.
- 6: WIDS-WPRS 1993, report 49.
- 7: WIDS-WPRS 1993, report 60.
- 8-11: WIDS-WPRS 1993, report 61.
- 12: DHSS data.

- 13-15: WIDS-WPRS 1993, reports 61-2.
- 16: WIDS-WPRS 1993, report 60.
- 17-18: WIDS-WPRS 1993, report 63.
- 19-21: WIDS-WPRS 1993, reports 64-5.
- 22-31: DHSS data.
- 32-3: Data from U.S. Bureau of Labor Statistics.
- 34: Labor force data from U.S. Bureau of Labor Statistics, population figures from U.S. Department of Commerce, Bureau of the Census, *County and City Data Book 1994* (Washington, DC: U.S. Government Printing Office, August 1994), Table B, pp. 620 and 634, col. 2.
- 35: Annual average pay data from U.S. Bureau of Labor Statistics.
- 36: *County and City Data Book*, Table B, pp. 625 and 639, col. 86
- 37: *County and City Data Book*, Table B, pp. 620 and 634, col. 4.
- 38: Number of JOBS registrants in county divided by the total for all counties (WIDS-WPRS data).

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- 1 Ed Gillespie and Bob Schellhas, *Contract with America: The Bold Plan by Rep. Newt Gingrich, Rep. Dick Armey and the House Republicans to Change the Nation* (New York: Times Books, 1994), pp. 65-77.
- 2 Mary Jo Bane and David Ellwood, *Welfare Realities: From Rhetoric to Reform* (Cambridge, MA: Harvard University Press, 1994), ch. 2.
- 3 U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1994 Green Book* (Washington, DC: U.S. Government Printing Office, July 15, 1994), pp. 401-2.
- 4 Kathleen Mullan Harris, "Work and Welfare Among Single Mothers in Poverty" (Chapel Hill: University of North Carolina, Department of Sociology, November 1992); Kathryn Edin and Christopher Jencks, "Reforming Welfare," in Christopher Jencks, *Rethinking Social Policy: Race, Poverty, and the Underclass* (Cambridge, MA: Harvard University Press, 1992), ch. 6.
- 5 Lawrence M. Mead, *Beyond Entitlement: The Social Obligations of Citizenship* (New York: Free Press, 1986), ch. 5.
- 6 The following summarizes Lawrence M. Mead, *The New Politics of Poverty: The Nonworking Poor in America* (New York: Basic Books, 1992), chs. 2, 4-6, 8.
- 7 William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987).
- 8 Lawrence M. Mead, "Poverty: How Little We Know," *Social Service Review* 68, no. 3 (September 1994): 322-50.
- 9 David T. Ellwood, *Poor Support: Poverty in the American Family* (New York: Basic Books, 1988).
- 10 Judith M. Gueron and Edward Pauly, with Cameran M. Lougy, *From Welfare to Work* (New York: Russell Sage Foundation, 1991).
- 11 Mead, *New Politics of Poverty*, pp. 166-8.
- 12 Lawrence M. Mead, "The Potential for Work Enforcement: A Study of WIN," *Journal of Policy Analysis and Management* 7, no. 2 (Winter 1988): 264-88. These results may partly reflect selection effects — unobserved differences between those entering programs and those not.
- 13 Compare the negligible results of Project Redirection or New Chance, which were voluntary, with the larger effects of the Teen Parent Demonstration or Ohio's LEAP program, which were mandatory. See Denise F. Polit, Janet C. Quint, and James A. Riccio, *The Challenge of Serving Teenage Mothers: Lessons from Project Redirection* (New York: Manpower Demonstration Research Corporation, October 1988); Janet C. Quint et al., *New Chance: Interim Findings on a Comprehensive Program for Disadvantaged Young Mothers and Their Children* (New York: Manpower Demonstration Research Corporation, September 1994); Rebecca Maynard, ed., *Building Self-Sufficiency Among Welfare-Dependent Teenage Parents* (Princeton: Mathematica Policy Research, June 1993), and Dan Bloom et al., *LEAP: Interim Findings on a Welfare Initiative to Improve School Attendance Among Teenage Parents* (New York: Manpower Demonstration Research Corporation, May 1993).
- 14 Lawrence M. Mead, "Should Workfare Be Mandatory? What Research Says," *Journal of Policy Analysis and Management* 9, no. 3 (Summer 1990): 400-4. The reason for doubt is that there have been as yet no studies that rigorously compare jobs- and skills-oriented strategies.
- 15 Mead, *Beyond Entitlement*, chs. 10-11.
- 16 In this analysis of state data, years usually refer to federal fiscal years, which run from October of one calendar year through September of the next, and are named for the latter year. In the analysis of Wisconsin county data that follows, years are usually calendar years.
- 17 U.S. Congress, House, Committee on Ways and Means, *Overview of Entitlement Programs: 1990 Green Book* (Washington, DC: U.S. Government Printing Office, June 5, 1990), p. 575; U.S. Congress, *1994 Green Book*, pp. 366-7, 392. By its own reckoning, Wisconsin claims a fall of 17 percent between 1987 and 1993, the largest in the nation. See Amy Rinard, "State Has Biggest AFDC Drop in U.S.," *Milwaukee Sentinel*, May 10, 1993, pp. 1A, 10A.
- 18 California's caseload rose by 40 percent, New York's by 22 percent.
- 19 Mead, *New Politics of Poverty*, p. 177.
- 20 The percentages varied from 21 to 73 across the states.
- 21 Jan L. Hagen and Irene Lurie, *Implementing JOBS: Progress and Promise* (Albany: State University of New York at Albany, Rockefeller Institute of Government, August 1994), ch. 3.
- 22 The usual convention is to require probabilities of .05 or less for significance. Since N here is only 50, making significance harder to achieve, it is reasonable to use .10. I make the same assumption in the county-level analysis below, where N is 72.
- 23 The correlation of case size in 1989 with caseload change was -.62, even stronger than for case size in 1992. However, this term did not work as well with others in the final model as did case size in 1992. The correlation of change in case size was -.45 with case size in 1989 but .24 with case size in 1992. This suggests that low case size in 1989 helped trigger growth in case size, but that by 1992 the effect had dissipated.
- 24 Charles Murray, "The Coming White Underclass," *Wall Street Journal*, October 29, 1993, p. A14. However, variables expressing the percent of

caseload white and change in that percent were less successful than the terms for share of caseload black and change in that share.

25 Gueron and Pauly, *From Welfare to Work*, pp. 183-4.

26 Harris, "Work and Welfare Among Single Mothers in Poverty," pp. 18-19.

27 Robert D. Plotnick, "Welfare and Out-of-Wedlock Childbearing: Evidence from the 1980s," *Journal of Marriage and the Family* 52 (August 1990): 735-46.

28 Rankings calculated from national JOBS data from the U.S. Department of Health and Human Services. To be countable requires that one be assigned activities of at least 20 hours a week and fulfill 75 percent of those hours.

29 In Table 2, I tried replacing share of adults mandatory in 1993 with the equivalent for 1991 plus a term for change in the percentage in 1991-93, but this alternative was less successful.

30 Michael Wiseman, "Welfare Reform in the State: The Bush Legacy," *Focus* 15, no. 1 (Spring 1993): 18-36. As Wiseman shows, not all the waivers in Wisconsin or other states are well-designed from a research viewpoint.

31 MDRC evaluated two programs in San Diego in the 1980s and just finished a six-county evaluation of the California JOBS program, known as Greater Avenues for Independence (GAIN). See Barbara Goldman, Daniel Friedlander, and David Long, *Final Report on the San Diego Job Search and Work Experience Demonstration* (New York: Manpower Demonstration Research Corporation, February 1986); Gayle Hamilton and Daniel Friedlander, *Final Report on the Saturation Work Initiative Model in San Diego* (New York: Manpower Demonstration Research Corporation, November 1989); and James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program* (New York: Manpower Demonstration Research Corporation, September 1994).

32 The following characterization is based, not only on fieldwork in 1994, but on a semester I spent at the University of Wisconsin-Madison in spring 1987, during which I worked closely with state officials and legislators of both parties on various welfare policy issues.

33 The leading member of this group is Michael Wiseman, an expert on the reporting and monitoring problems in welfare employment. See Michael Wiseman, "How Workfare Really Works," *Public Interest*, no. 89 (Fall 1987): 36-47.

34 Marc Cooper, "Overthrowing the Welfare State," *Village Voice*, May 31, 1994, pp. 33-7.

35 I heard the following story in Milwaukee: An activist group named Welfare Warriors called a meeting of liberal groups to oppose Work Not Welfare. While there was criticism of Thompson, the view that welfare mothers should be paid to stay home was treated as "ridiculous" and voted down, 14-1.

36 Dave Daley, "State Cuts Bold Path on Welfare," *Milwaukee Journal*, July 17, 1994, pp. A1, A17.

37 Mark Lincoln Chadwin, et al., *The Employment Service: An Institutional Analysis*, U.S. Department of Labor, R&D Monograph 51 (Washington, DC: U.S. Government Printing Office, 1977).

38 Joe Klein, "'Make the Daddies Pay'," *Newsweek*, June 21, 1993, p. 33.

39 The case closure rate using monthly data was 41 percent in JOBS in Wisconsin in 1993; the rate for nonemployable recipients in AFDC was presumably lower. Estimates of welfare exit rates using monthly data from national data bases range from 44 to 59 percent. See Harris, "Work and Welfare," pp. 18-20; LaDonna A. Pavetti, "The Dynamics of Welfare and Work: Exploring the Process by Which Young Women Work Their Way Off Welfare" (Cambridge, MA: Harvard University, Kennedy School of Government, October 29, 1992), pp. 9-14. Estimates using annual data would run lower.

40 During my trip, I had with me a recent MDRC pamphlet on how to manage JOBS programs. In speaking to local JOBS managers, I expected to make some reference to it. But in one county I visited — not one of the highest-performing — I found the pamphlet on the table before me. It had already been distributed and discussed.

41 Population data from U.S. Department of Commerce, Bureau of the Census, *County and City Data Book 1994* (Washington, DC: U.S. Government Printing Office, August 1994), table B, pp. 620 and 634, col. 2. JOBS data from Department of Health and Social Services.

42 See appendix for a more detailed definition.

43 Department of Health and Social Services, description of JOBS policy for 1990-1992, p. 18.

44 Department of Health and Social Services, "Guide for Development of A Local JOBS Plan, Calendar Year 1991," p. 14.

45 U.S. Congress, *1994 Green Book*, pp. 351-2. During my semester at the University of Wisconsin in spring 1987, I had a graduate student who was pursuing a Ph.D. while on AFDC.

46 Department of Health and Social Services, "Guide for Development of A Local JOBS Plan," p. 5.

47 Chadwin, Mark Lincoln, John J. Mitchell, and Demetra Smith Nightingale, "Reforming Welfare: Lessons from the WIN Experience," *Public Administration Review* 41, no. 3 (May/June 1981): 375-6; Mead, *Beyond Entitlement*, p. 155; Eugene Bardach, *Improving the Productivity of JOBS Programs* (New York: Manpower Demonstration Research Corporation, December 1993), pp. 18-20.

- 48 These earlier studies included: Lawrence M. Mead, "Expectations and Welfare Work: WIN in New York City," *Policy Studies Review* 2, no. 4 (May 1983): 648-62; idem, "Expectations and Welfare Work: WIN in New York State," *Polity* 18, no. 2 (Winter 1985): 224-52; and idem, "Potential for Work Enforcement."
- 49 Gueron and Pauly, *From Welfare to Work*, expresses this viewpoint.
- 50 "Welcome to the Kenosha County Job Center" (Kenosha, WI: Kenosha County Job Center, April 15, 1994), p. 11.
- 51 Ibid., pp. 11-12.
- 52 Michael Wiseman, "Sample Family Support Act Job Opportunity and Basic Skills Training (JOBS) Participation Data (Revised)" (Madison: University of Wisconsin-Madison, La Follette Institute of Public Affairs, November 24, 1991).
- 53 Robert D. Behn, *Leadership Counts: Lessons for Public Managers from the Massachusetts Welfare, Training, and Employment Program* (Cambridge, MA: Harvard University Press, 1991), ch. 6; Bardach, *Improving the Productivity of JOBS Programs*, ch. 2; John J. Mitchell, Mark L. Chadwin, and Demetra S. Nightingale, *Implementing Welfare-Employment Programs: An Institutional Analysis of the Work Incentive (WIN) Program*, R&D Monograph 78, U.S. Department of Labor (Washington, DC: U.S. Government Printing Office, 1980).
- 54 For details, see appendix.
- 55 Mead, "WIN in New York City," p. 659; Mead, "WIN in New York State," pp. 237-8.
- 56 The share in job search may seem low, but that is because the table captures only one moment in time. Over a year, the proportion runs higher. During all of 1993, Kenosha had 19 percent of its clients in job search, Sheboygan 17 percent, and the state average was 14 percent.
- 57 Pavetti, "Dynamics of Welfare and Work"; Toby Herr, Robert Halpern, and Aimée Conrad, *Changing What Counts: Rethinking the Journey Out of Welfare* (Evanston, IL: Northwestern University, Center for Urban Affairs and Policy Research, April 1991).
- 58 Hamilton and Friedlander, *Saturation Work Initiative Model*, chs. 4-5; Riccio et al., *GAIN*, chs. 4, 6.
- 59 Mark R. Rank, and Thomas A. Hirschl, "A Rural-Urban Comparison of Welfare Exits: The Importance of Population Density," *Rural Sociology* 53, no. 2 (1988): 190-206.
- 60 Indian tribes were omitted.
- 61 These correlations and the regression results below show that administrative variables have strong effects on whether recipients work. That says something about how to implement JOBS. I do not make the stronger statement that administration has an impact in the evaluator's sense. Nonprogram influences are controlled here only statistically, an imperfect method. There is the possibility of selection bias — that is, that clients who go to work and those who do not differ in ways, such as motivation, not captured by the control variables. Only an evaluation that compared different treatments using randomized experimental and control groups could remove this doubt. It is, however, likely that administrative routines that obligate recipients do have impact, since programs stressing these features have been among the most successful when they were evaluated. See Mead, "Should Workfare Be Mandatory?"
- 62 See definition in appendix for details.
- 63 Fond du Lac's point is in the heart of the distribution, hidden amid so many others that it was impractical to label it.
- 64 Percent of caseload black is here a negative influence on job entries, whereas above it was a negative influence on caseload growth, apparently a contradiction. The analyses are not the same. There I was explaining caseload change over time across states, whereas here I am explaining job entries in a single year across counties in the same state.
- 65 One reason may be that, in Wisconsin, high school graduates are likely to pursue further education rather than work. The correlation in JOBS between percent of clients who were high school graduates and the percent entering postsecondary education was .31.
- 66 I decided to retain the education and Hispanic terms even though they do not quite reach significance at .10 because their omission caused several other terms to become nonsignificant, effectively destroying the model.
- 67 Coefficients are smaller than in the earlier models because the dependent term is denominated in dollars rather than percentiles. The coefficients thus express by how many dollars the wage would change if the explanatory terms rose by one unit, which for most terms is a percentage point.
- 68 See Mead, "WIN in New York City"; Mead, "WIN in New York State," and the studies cited in Mead, *New Politics of Poverty*, p. 171 n. 65.
- 69 In constructing the above models for the performance measures, I tried adding a dummy variable for Milwaukee and also excluding the county from the analysis. Neither step made any substantial change in the results. The dummy was significant only in the job entries model, and only if population density was omitted; in that event, the influence of Milwaukee on performance was actually positive.
- 70 State of Wisconsin, "Wisconsin Welfare Reform: Learnfare," pp. 5-6, 9.
- 71 Ibid., p. 1; Department of Health and Social Services, *Learnfare Case Management Manual* (May 1994), pp. 1, 7.
- 72 State of Wisconsin, Legislative Audit Bureau, "An Evaluation of Learnfare Case Management Services" (Madison: February 9, 1994).

- 73 State of Wisconsin, "Wisconsin Welfare Reform: Learnfare," p. 9.
- 74 State of Wisconsin, "Evaluation of Learnfare Case Management Services," p. 4; Kenosha County Department of Social Services, "Kenosha County Learnfare Enhanced Services Program Evaluation Summary Report" (Department 1993), pp. 4-5.
- 75 State of Wisconsin, "Wisconsin Welfare Reform: The 'Children First' Program" (June 1993), p. 4; Department of Health and Social Services, Office of Policy and Budget, "Children First: Community Work Experience Program for Non-Custodial Parents" (May 1991), pp. 10-11.
- 76 Department of Health and Human Services, "Children First," p. 2.
- 77 Ibid., pp. 8, 21.
- 78 Klein, "'Make the Daddies Pay'."
- 79 Department of Health and Social Services, "Children First," pp. 19-22.
- 80 John Wagner, "The Children First Program: A Report to the Administrator" (Madison: Department of Health and Social Services, Division of Economic Support, June 1993). The other study was Department of Health and Social Services, "Children First."
- 81 Department of Health and Social Services, "Children First," pp. 15-17.
- 82 Jan L. Hagen and Irene Lurie, *Implementing JOBS: Case Management Services* (Albany: State University of New York at Albany, Rockefeller Institute of Government, July 1994).
- 83 Mitchell et al., *Implementing Welfare-Employment Programs*, p. 138; Riccio et al., *GAIN*, pp. 13-14, 161-2, 294. As Riccio and his associates note, the GAIN experiment in cutting caseloads, in Riverside County, California, reduced them from an already-low 97 per manager to a still-lower 53. Reductions from the 300 or 200 cases found in some JOBS programs might have more effect.
- 84 The team structure increased caseloads in other agencies, but since they produce fewer job entries anyway, the effect on performance overall was favorable.
- 85 Hagen and Lurie, *Case Management Services*, p. xii.
- 86 Bardach, *Improving the Productivity of JOBS Programs*, pp. 19-20.
- 87 Mead, *New Politics of Poverty*, pp. 174-5.
- 88 The liberal view is that the poor feel powerless for lack of opportunity and need to be liberated from their environment. See Thomas J. Kane, "Giving Back Control: Long-Term Poverty and Motivation," *Social Service Review* 61, no. 3 (September 1987): 405-19. If this were true, the poor would resist work requirements as oppressive, instead of embracing them.
- 89 The following summarizes Mead, *New Politics of Poverty*, ch. 7.
- 90 Oscar Lewis, "The Culture of Poverty," in *On Understanding Poverty: Perspectives from the Social Sciences*, ed. Daniel P. Moynihan (New York: Basic Books, 1969), pp. 189-90, 193-6, 199.
- 91 James S. Coleman, "Social Capital in the Creation of Human Capital," *American Journal of Sociology* 94 (Supplement, 1989): S95-S120; Robert D. Putnam, "The Prosperous Community: Social Capital and Public Life," *American Prospect*, no. 13 (Spring 1993): 35-42.
- 92 Fay Lomax Cook and Edith J. Barrett, *Support for the American Welfare State: The Views of Congress and the Public* (New York: Columbia University Press, 1992), ch. 3.
- 93 Maureen Dowd, "Americans Like G.O.P. Agenda But Split on How to Reach Goals," *New York Times*, December 15, 1994, p. A24; Richard Lacayo, "Down on the Downtrodden," *Time*, December 19, 1994, p. 32.
- 94 Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: The Functions of Public Welfare*, updated ed. (New York: Vintage, 1993), ch. 11. My disagreement with Piven and Cloward is simple: They say we have "social control" and should not. I say we do not and we should.
- 95 Lawrence M. Mead, "Comment" on Michael R. Sosin, "Legal Rights and Welfare Change, 1960-1980," in *Fighting Poverty: What Works and What Doesn't*, ed. Sheldon H. Danziger and Daniel H. Weinberg (Cambridge, MA: Harvard University Press, 1986), pp. 283-6.
- 96 Mildred Rein, *Dilemmas of Welfare Policy: Why Work Strategies Haven't Worked* (New York: Praeger, 1982), chs. 1-4.
- 97 Marion Wright Edelman, *Families in Peril: An Agenda for Social Change* (Cambridge, MA: Harvard University Press, 1987).
- 98 Robert Moffitt, "Incentives Effects of the U.S. Welfare System: A Review," *Journal of Economic Literature* 30 (1992): 1-61.
- 99 Lisbeth B. Schorr, with Daniel Schorr, *Within Our Reach: Breaking the Cycle of Disadvantage* (New York: Doubleday, 1988).

- 100 Sydney E. Bernard, "Why Service Delivery Programs Fail," *Social Work* 20, no. 3 (May 1975): 206-11; Christina Maslach, "Burned-out," *Human Relations* 5, no. 9 (September 1976): 16-22.
- 101 James Q. Wilson, "What To Do About Crime," *Commentary*, September 1994, pp. 32-4; John J. DiIulio, Jr., "The Question of Black Crime," *Public Interest*, no. 117 (Fall 1994): 28-30; Myron Magnet, *The Dream and the Nightmare: The Sixties' Legacy to the Underclass* (New York: William Morrow, 1993), pp. 141-2; Charles Murray, "What To Do About Welfare," *Commentary*, December 1994, pp. 33-4.
- 102 Douglas J. Besharov, "Orphanages Aren't Welfare Reform," *New York Times*, December 20, 1994, p. A23.
- 103 Myron Magnet, "Putting Children First: A New Direction for Welfare Reform," *City Journal* 4, no. 3 (Summer 1994): 47-53.
- 104 Mary Jo Bane, "How Much Does Poverty Matter?" in *Security for America's Children: Proceedings of the Fourth Conference of the National Academy of Social Insurance*, ed. Paul N. Van de Water and Lisbeth B. Schorr (Dubuque, IA: Kendall/Hunt, 1992), pp. 37-44.
- 105 Deborah Lowe Vandell and Janaki Ramanan, "Effects of Early and Recent Maternal Employment on Children from Low-Income Families," *Child Development* 63 (1992): 938-49; Cheryl D. Hayes, John L. Palmer, and Martha J. Zaslow, eds., *Who Cares for America's Children: Child Care Policy for the 1990s* (Washington, DC: National Academy Press, 1990), chs. 3-5.
- 106 Michael B. Katz, *In the Shadow of the Poorhouse: A Social History of Welfare in America* (New York: Basic Books, 1986).
- 107 Daniel Friedlander, *Subgroup Impacts and Performance Indicators for Selected Welfare Employment Programs* (New York: Manpower Demonstration Research Corporation, August 1988).
- 108 Herr et al., *Changing What Counts*.
- 109 Klein, "'Make the Daddies Pay'."
- 110 Department of Health and Social Services, "Children First," pp. 9-12.
- 111 Often "best practice" advice is subjective. See Laurence E. Lynn, Jr., "Public Management Research: The Triumph of Art over Science," *Journal of Policy Analysis and Management* 13, no. 2 (Spring 1994): 231-59. I reduce the subjectivity here by combining fieldwork and quantitative analysis. Each form of evidence checks, and helps interpret, the other.
- 112 Patricia Auspos and Kay E. Sherwood, *Assessing JOBS Participants: Issues and Trade-offs* (New York: Manpower Demonstration Research Corporation, August 1992), p. 1.
- 113 Hagen and Lurie, *Progress and Promise*.
- 114 Jan L. Hagen and Ling Wang, "Implementing JOBS: The Functions of Frontline Workers," *Social Service Review* 68, no. 3 (September 1994): 378-9, 382-3; Hagen and Lurie, *Progress and Promise*, p. xxii.
- 115 This was true of Massachusetts' Education and Training Choices (ET) program, whose participation rate was about 33 percent. See Demetra Smith Nightingale et al., *Evaluation of the Massachusetts Employment and Training (ET) Program* (Washington, DC: Urban Institute Press, 1991), pp. 52-3, and Mead, *New Politics of Poverty*, pp. 171-2.
- 116 Mead, *Beyond Entitlement*, ch. 7; Bardach, *Improving the Productivity of JOBS Programs*, ch. 1.
- 117 Joe Klein, "Shepherds of the Inner City," *Newsweek*, April 18, 1994, p. 28.
- 118 The system was designed by Michael Wiseman of IRP. See Wiseman, "How Workfare Really Works."
- 119 I credit this idea to Michael Wiseman.
- 120 Bardach, *Improving the Productivity of JOBS Programs*; Behn, *Leadership Counts*.
- 121 Martha Derthick, *The Influence of Federal Grants: Public Assistance in Massachusetts* (Cambridge, MA: Harvard University Press, 1970).
- 122 Gordon Berlin and William McAllister, "Homelessness," in *Setting Domestic Priorities: What Can Government Do?* ed. Henry J. Aaron and Charles L. Schultze (Washington, DC: Brookings, 1992), chap. 3.
- 123 Iron County JOBS assigned 25 percent of its clients to unpaid jobs over the course of 1993, but it had less than 100 registrants, the smallest caseload in the state. No other county assigned more than 15 percent. Of the research counties, Fond du Lac, Kenosha, and Sheboygan all assigned 6 percent, the others 2 percent or less, and 6 percent was also the average for the state.
- 124 Dan Bloom and Kay Sherwood, *Matching Opportunities to Obligations: Lessons for Child Support Reform from the Parents' Fair Share Pilot Phase* (New York: Manpower Demonstration Research Corporation, April 1994).
- 125 Gueron and Pauly, *From Welfare to Work*, pp. 162-4; Riccio et al., *GAIN*, ch. 7.

- 126 Daley, "State Cuts Bold Path on Welfare," p. A17; Rinard, "State Has Biggest AFDC Drop in U.S."
- 127 David E. Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector* (Reading, Mass.: Addison-Wesley, 1992).
- 128 An exception is the data for the percent of registrants in an active component, which comes from the special DHSS runs mentioned just below.