

## TIME TO PULL THE PLUG ON WELFARE "REFORM"

Just one year ago, a bipartisan consensus appeared to exist for an historic overhaul of the nation's troubled welfare system. That consensus rested on three themes: giving states the flexibility to experiment with creative approaches to ending dependency; mandatory "workfare" requirements; and a crackdown on fathers who ignored their financial responsibilities.

Unfortunately, the consensus was hijacked in Congress by lawmakers who have used the rhetoric of reform to cloak what is little more than an attempt to raid the federal Treasury. Despite the deceptive rhetoric, the current reform proposals from the leadership in Congress, especially the primary House legislation championed by New York Democrat Thomas Downey, are anti-work, anti-family, and in a profound sense, anti-poor. The measures would suck millions of additional American families into the mire of welfare dependency and then create a fence to keep them from climbing out. While claiming to promote work, House Democrats actually would prohibit states from establishing work requirements for welfare recipients and cripple the few successful dependency reduction programs enacted during the Reagan era. Rather than join in this masquerade pretending to be welfare reform, it is time for lawmakers to work to design new legislation that builds on the three original reform themes.

**Encouraging Dependence.** The current welfare system is in desperate need of reform. Yet latest proposals from the House leadership show that their solution to these problems is "more of the same." Virtually every bad liberal welfare idea of the last twenty years has now reappeared in the guise of reform. For example, the House bill would provide federal financial incentives to spur states to raise welfare benefit levels, a principle which is endorsed by New York Senator Daniel Moynihan, the chief architect of Senate legislation. Yet higher welfare benefit levels simply make work even less attractive and so encourage more families to become dependent on welfare. Congress seems determined to ignore the evidence demonstrating this effect. During the last decade the number of children in poverty in states with low Aid to Families With Dependent Children (AFDC) benefits has declined while the number of poor children in high benefit states has increased dramatically. Some experiments have found that an increase in welfare has resulted in a decrease in the earned income of welfare recipients of as much as \$80 for each \$100 in added benefits.

Raising welfare benefits by as little as 20 percent nationwide could expand the AFDC population by a third, adding one million families to the welfare rolls; increase the number of female-headed families in the U.S. by 20 percent; and increase the divorce and separation rate nationwide among young families by 66 percent.

Another bad idea in the reform proposals is to require all states to establish AFDC for intact, two-parent families (known as AFDC-UP). All available evidence indicates strongly that two-parent welfare increases the rate of family break-up. The reason: including two-parent families in AFDC makes more families accustomed to the idea of welfare dependency. This undermines the role and status of the working father in the affected families by demonstrating that the father as breadwinner is dispensable. Controlled experiments indicate that extending AFDC-UP to all states could increase the separation rate among affected families as much as two-thirds.

**Limiting Experimentation.** Moreover, the House legislation, like Senator Moynihan's recently unveiled proposals, do no more than pay lip service to the idea of allowing states to devise their own experimental welfare systems by consolidating funds from dozens of overlapping federal anti-poverty programs. The House proposal has no decentralization whatever, and the Moynihan plan so limits state experimentation, and the federal programs that could be included, as to make decentralization meaningless.

Neither bill actually requires significant participation by welfare recipients in work or training. Recent state initiatives which have proved highly successful in reducing dependency--such as required job search--are restricted. Indeed, mandatory workfare would be barred under the House bill. Instead the emphasis would be on gold-plated training and social service strategies that never have proved cost-effective in helping the poor--but do, of course, provide employment to the social services industry now busily lobbying on Capitol Hill.

Senator Moynihan's plan, admittedly, does contain a few welcome proposals to beef up parental support enforcement. But lawmakers who sign on to his plan will doubtless find, after Senate floor action and a conference with the House, that the few good provisions in the Moynihan plan are overwhelmed by expensive liberal baggage.

Lawmakers and Administration officials committed to fundamental reform of the welfare system should not allow themselves to be stampeded into supporting legislation that is long on reform rhetoric but short on reform. America's poor deserve better. The White House should send a clear signal that there is no hope of salvaging these proposals and will veto the bills in their current form. The opportunity for major welfare reforms comes rarely and changes enacted this year or next could affect Americans for a generation or more. Thus it is vital that legislation achieve real reform rather than repeat and enlarge the mistakes of the past. It would be better to have no legislation than bad legislation.

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