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The Good News About Welfare Reform:  
Wisconsin's Success Story

*By Governor Tommy Thompson  
and Dr. William J. Bennett*



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# The Good News About Welfare Reform: Wisconsin's Success Story

## Introductory Remarks

**Phillip N. Truluck**

**Executive Vice President, The Heritage Foundation**

**A**lmost everyone agrees that America needs to end welfare as we know it. The harmful effects of the welfare system have proven to be destructive to individuals and families all across America. The failed welfare system has perpetuated a cycle of dependency on non-work and non-marriage. Yet in the face of this disparaging prognosis, the state of Wisconsin has been able to cut its welfare caseload in half and help millions gain independence.

The real star of welfare reform today is Governor Tommy Thompson, whose perseverance and dedication brought about this Wisconsin miracle. Governor Thompson was first elected in 1986, re-elected in 1990, and once again in 1994. He is past chairman of the National Governors' Association as well as the Republican Governors Association. During his tenure as governor, he has worked diligently to completely overhaul Wisconsin's welfare system. Wisconsin became the first state to institute genuine work requirements for welfare recipients. It bases welfare assistance on the philosophy that idleness and dependency are harmful to the recipient and the recipient's family. Therefore, in Wisconsin, the recipient of welfare must perform useful labor in exchange for benefits he receives. The programs that have been instituted in Wisconsin are important for the nation to study as models and guides for true and real welfare reform throughout America. I believe any state could do these things and subsequently witness the same kind of reduction in its welfare caseload.

We are most pleased to have Bill Bennett with us to comment on Governor Thompson's remarks. Bill is the John M. Olin Distinguished Fellow in Cultural Policy Studies at The Heritage Foundation and co-founder of Empower America. He has served as Director of the Office of National Drug Control Policy and as President Reagan's Secretary of Education. He has written extensively on the subject of welfare and other societal issues.

We are absolutely delighted to welcome Governor Thompson and Bill Bennett to The Heritage Foundation to tell us why Wisconsin's success story is truly good news for America—and that good news is that welfare reform can and will work!

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Tommy Thompson, a Republican, is Governor of Wisconsin.

William J. Bennett is John M. Olin Distinguished Fellow in Cultural Policy Studies at The Heritage Foundation.

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## The Honorable Tommy Thompson Governor of Wisconsin

I am delighted to be here and to share this platform with one of my personal heroes, Dr. Bill Bennett. I applaud Bill for the work and the leadership he has given America through Empower America, and I thank The Heritage Foundation for the great work it is doing on important social issues as well as for the excellent strategies its analysts regularly provide to policymakers on these issues.

I have been asked to share with you my belief that the future indeed looks bright for helping the poor and reforming welfare as we know it in America. I will share with you some of Wisconsin's successes in reforming welfare—especially the programs we instituted that can serve as models for welfare reform in other states.

### The State of Welfare in Wisconsin

The social and political environment in Wisconsin has completely changed over the past decade. When I was elected governor, Wisconsin was undergoing some very difficult times. Companies were leaving. In fact, entrepreneurs were placing ads in *The Wall Street Journal* telling other entrepreneurs *not* to come to Wisconsin because our state government was so bad for business. In fact, Jim Thompson, the governor of Illinois at that time, had put up a couple of signs that read, "When the taxes get too high, please bring your business to Illinois." The last sign he put up said, "When the last company leaves Wisconsin, please turn off the lights."

You can well imagine that this was a bit hard to take. Wisconsin had continually raised taxes to pay for its ever-increasing welfare rolls. Our welfare payments were higher than any other state's in the Midwest and, consequently, everybody seemed to be coming to Wisconsin to get on welfare. Businesses were leaving, taxes were going up, and people across the state were really depressed. So, they elected me.

And I have to admit that it has been a wonderful opportunity to be able to change the direction and the entire philosophy of what once was a very liberal state. At that time, Wisconsin probably ranked next to California in its liberal philosophy. You can just imagine what people thought when a conservative was elected governor of Wisconsin!

Nevertheless, we have been able to make some dramatic changes in the way Wisconsin handles its social problems, and I am proud of that. Wisconsin now has an environment in which a pregnant teen-aged girl from Milwaukee no longer has to resolve to spend her life on the welfare rolls as her mother and grandmother did before her. Instead, Wisconsin's teen-aged girls—no matter what their background is or where they live—can pursue careers and chase their own dreams while they work to get out of a life of poverty. In fact, we have an environment in Wisconsin in which any poor family can climb out of the despair of poverty and pursue the American dream.

During the past two years, governors like myself have spent quite a bit of time in Washington trying to persuade Congress to give them the flexibility and the opportunity to design and operate their own welfare reform programs. We are thankful that Congress finally heeded our calls to end the old dysfunctional welfare system and to entrust the states with designing appropriate replacement programs.

Now, as states begin to structure these programs, they are looking for good ideas. What is working elsewhere? What kinds of programs are on the cutting edge? I appreciate the fact that Heritage Senior Policy Analyst Robert Rector singled out Wisconsin as a strong model for other states in his article in *Policy Review*, not just because of our successes in reforming welfare, but because of our vast experience in trying different methods.<sup>1</sup> But success, it has been said, has a thousand parents. That's why President Bill Clinton has even tried to claim credit for Wisconsin's welfare reform (although he would not give us the waivers we needed).

Long before it was popular to talk about reforming welfare, Wisconsin has been constantly reforming its welfare program over the last decade. The state successfully constructed a whole new system to eliminate welfare. In fact, we officially stop "welfare" as you know it in September 1997. No other state can come close to matching that experience.

### **Wisconsin's Steps toward Reform**

Welfare reform in Wisconsin began with one simple premise: Every person is capable of doing something. The challenge for government is to help people go from doing nothing to doing something. If we are going to invest money as a society or as a state to help poor families, it makes sense to invest it in ways that will help them enter the workforce and become self-sufficient—instead of sending checks out once a month and in effect just walking away from their needs. To me, the latter is not compassion. Expecting nothing in return and offering no real help is hardly compassionate. That is apathy.

When we first started working on reforming welfare in Wisconsin, I invited individual mothers on welfare to visit the executive residence. You can imagine how somebody from a poor neighborhood might feel being invited to the governor's mansion in Madison and sitting down with the governor to talk about personal problems. I do this on a regular basis because I enjoy inviting them to the executive residence for lunch. Why? I wanted to know straight from those who were on welfare *why* they were on welfare.

We found their answers to be very simple, yet very profound. They wanted to work—something I always had believed was the case—but they were concerned about being unable to afford health care for their children, to obtain quality child care, and to find transportation to and from their jobs. They could not afford to pay for these necessities on their own, especially for health care. So they stayed on welfare as a means to care for their families.

From these meetings and from related research, we began to understand how government could help these families become self-sufficient. The solution was *not* simply to hand them a check to cash and walk away. The solution was developing meaningful programs that could support them in their struggle for independence—programs for child care, health care, job search assistance, and transportation. The solution was to provide these programs as a ladder to help them climb out of poverty and off welfare. So we immediately started shifting resources to these areas.

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1 Robert Rector, "Wisconsin's Welfare Miracle," *Policy Review: The Journal of American Citizenship*, March/April 1997.

The next step we took was obvious yet unprecedented: We began to expect something in return from the people we were helping, not the least of which was evidence that they were taking on personal responsibility for their own improvement and for their families. Wisconsin was going to expect the people it helped to get up in the morning and go to work! It was a radical notion: Get up in the morning, get the kids ready for school or child care, go to work on time, earn a paycheck, and support your family—ultimately without any reliance on the government for help. If Wisconsin was going to offer them a ladder, then we would require them to *use the ladder*.

These simple principles formed the foundation for all of Wisconsin's welfare reforms over the past decade. And they serve as the foundation of the new "W2" program, Wisconsin's replacement for the old welfare system, that will be in place shortly.

Perhaps the greatest lesson America has learned from the failed welfare system is that giving something for nothing does not work. Welfare does not help a person lead a better life, and it does not help a person get out of poverty. As we worked to reform the welfare system in Wisconsin, we found that we could not rely on hoping to find any "silver bullets." There weren't any. So we set in motion a series of innovative programs based on very basic principles.

**Learn Fare.** Our reforms started with a program we called Learn Fare, which was based on the simple principle that children should be in school. That doesn't seem too outlandish, does it? But the government was giving welfare families a check for every member of the family and it was not expecting anything from them in return. So I decided that, if Wisconsin's taxpayers were going to give welfare recipients a check for each of their children, then at least those children should have to stay in school. Again, nothing too radical; it was just plain common sense. If we were going to have any chance to break the generational cycle of welfare dependence, then we needed to make sure that Wisconsin's children could at least graduate from high school, and then give them the opportunity to go even further.

So if a child did not attend school regularly, Learn Fare reduced a family's welfare check. If a child missed three days of school during one month, the next month we deducted that portion from the welfare check.

Learn Fare was *not* a popular program. It really shook up the system, the *status quo*. The liberals went wild. They said, "How can you expect Johnny and Susie to go to school?" Can you imagine the reaction that you would have gotten when you were growing up if you had walked down to the breakfast table and announced you weren't going to school? Now liberals were telling us we were supposed to *let* children drop out and even pay them to skip school? I was determined to change that.

In fact, I'll never forget a letter I received from a teen-aged girl who had become pregnant. She wrote,

Governor Tommy, I thought you were the worst person in the world. You required me to go to school. My grandmother was on welfare. My mother was on welfare. I had my first child when I was 13. I had my second child when I was 14, and I had dropped out of school. I was getting AFDC and you required me to go back to school in order to get my check. And I thought you were the worst person in the world. Well, I want to tell you, Governor Tommy, that I went back to school and I'm hitting the books and I'm getting A's, and I'm going to graduate from high school with honors. And then I'm going on to

college. And when I graduate from college, I'm going on to law school and become a lawyer.

Now, you might want to criticize this young lady for her choice of profession, but you have to give her a great deal of credit for what she has been able to accomplish. That young lady is doing well now and her whole life, her whole attitude toward life, has changed—and her children are so much better for this.

Learn Fare has been quite successful, even though our critics like to point to studies that claim "There's no 'discernible evidence' that Learn Fare is reducing welfare caseloads." All we know in Wisconsin is that, since we instituted Learn Fare, the dropout rates in Milwaukee schools are lower than they have been in 11 years. In fact, the state's dropout rate, at 2.4 percent, is one of the lowest in the nation, if not the lowest. More teen-aged parents in the Learn Fare program stayed in school than teen-aged parents who were not in Learn Fare. And our welfare rolls keep going down all across the state, including in Milwaukee. Is Learn Fare the sole reason for these successes? No, but it certainly is a major contributor. Learn Fare just makes basic common sense.

**Children First.** Another early program we instituted in Wisconsin was called Children First. I really liked this program because I have no tolerance for deadbeat parents. I set up this program to give people who are not paying their required child support a basic choice: either pay your child support or go to jail.

And what happened when we got these deadbeat parents into court? They would tell the judge, "Oh, Your Honor, I'll take option number one...but I don't have a job." So the judge would lay out the big picture for them: "Okay," the judge would respond, "you've got 16 weeks to serve for your non-pay status. You'll have to rake leaves on the court house lawn, be a crossing guard, be a teacher's aide, clean out the classrooms, clean out the brush, sweep the streets." And do you know what happened? In about ten days, like manna from heaven, the deadbeat dad had found a job and shortly thereafter had even started paying child support.

This is not rocket science; it is just basic common sense. Through this one program, Wisconsin was able to increase child support collections. We are now either the first or second-best state in the country in payment of child support. But I am not satisfied, and we are getting tougher all the time. Children First is an important step forward in an effort to require parents to stay in contact with their children and to support their children.

The lack of parental and family responsibility among those on the welfare rolls was the next problem to tackle. So we now require the parent that does not have custody of the child to participate in parenting classes.

**Work First.** But the problems go further. Incredibly, the welfare system actually penalized two young parents, especially teenagers, if they got married and both had jobs. If you got married, you couldn't receive welfare, but whether you lived together or apart, if you did not get married, you could receive Aid to Families with Dependent Children (AFDC). If a young mother stayed single, she could get welfare, but if she married the father of her child, they wouldn't receive AFDC even if the husband didn't have any work experience. It was illogical. Naturally, they would choose to stay apart, so their families did not become self-sufficient. To this day, I cannot understand that approach at all. So we looked for ways to change it.

We designed Work First specifically to address this problem. Work First steered welfare applicants into jobs instead of onto welfare. It provided job search assistance and even personal financial planning. There are a lot of people who just need basic help with their personal finances or finding a job and staying afloat. Work First tried to provide that help up front by providing options to welfare. This program has removed the disincentives in the welfare system that discouraged young couples from marrying and both working.

**Work, Not Welfare.** The next program we instituted is the prelude to W2. This program, which we piloted in two counties in Wisconsin, required participants to find a job within 24 months or lose their welfare benefits. In fact, when we started Work, Not Welfare, such a program had not even been talked about in Washington, D.C. It was the first program that absolutely required welfare recipients to find work—the first program that put into practice the philosophy that welfare was a temporary program, not a way of life.

**Pay for Performance and Self Sufficiency First.** We followed Work, Not Welfare with Pay for Performance and Self Sufficiency First. A lot of people only need food stamps to make ends meet, but we were finding that quite often when these people went to apply for food stamps, they ended up being handled in Social Services, where they were told they had to sign up for AFDC as well. Many of these people didn't want AFDC, but once they started receiving it, they stayed in the program, and nobody expected anything else from them. We knew this had to change.

Our work-based programs, Pay for Performance and Self Sufficiency First, are forerunners to Wisconsin's new W2 program that will begin later this year. These work-based programs replicate real-world working situations, and they place an emphasis on self sufficiency. First, we targeted those applying for welfare and put them on Pay for Performance; then we targeted those already on welfare.

Both programs are based on very simple, basic, yet fundamental principles. In order to receive an AFDC check, a person must perform certain duties. For example, a person now must be enrolled in our jobs program and spend a minimum of 20 hours a week looking for a job, performing a community service activity, or improving basic skills like résumé writing and interviewing. If he does not perform his prescribed duties, he will not get paid—just like in the real world. If he participates 16 hours a week instead of 20, he will get paid for 16 hours, and his AFDC checks are reduced by 4 hours. If he does not participate at all, he will not get an AFDC check.

These programs are straightforward: you work for your check, and your check reflects the amount of work you do in a week—again, just like in the real world. We still provide our participants with ample child care, health care, and transportation, so there are no excuses not to go to work. The goal of Pay for Performance and Self Sufficiency First is to increase the employability of the participants as well as to instill in them a real-world work ethic.

Let me add a word about health care: We have invested a lot of money in supporting a mother who is working with adequate health care for her children. We subsidize them an extra 12 months over the 3 months that AFDC gives them until they are on their feet and able to buy into a health care program on their own. We have a very successful medical assistance program in Wisconsin, and I asked the President for a waiver to allow the working poor just above the poverty line to buy into this program, too, so that they could have the same kind of medical coverage. It would have made so much sense. Low wage earners would pay for part of this as-



sistance, and the state would subsidize the rest, and together we could do a much better job. I think this could become a model for the country and it would help cover a lot more children that don't have health care today. But the President, this President, turned me down. Eventually, I will get this program in place, but it may take a few more years.

**Wisconsin's W2 Program.** In the end, we must get people off AFDC and move them into the work force. Pay for Performance is paving the way for W2, our next bold step that goes fully into effect this fall. W2 removes AFDC and cash handouts entirely from the equation. No one will receive cash from the government of Wisconsin any more. He will receive a paycheck either from a private employer or for a community service job. If he does not work, he will not get paid. It is that simple and that straightforward.

### The Startling Results

So how has Wisconsin changed under these reforms? More important, how have Wisconsin's families done under our reforms? Chart 1 speaks volumes. Over the past decade, we have cut Wisconsin's welfare caseload by 60 percent. That means roughly 55,000 families in Wisconsin no longer are trapped in welfare and a life of poverty. This incredible figure includes significant reductions in the welfare rolls in our largest urban center, Milwaukee, which has experienced a 32 percent reduction.

Families are happier, too, because they are at least \$5,000 a year better off financially by working, even at a minimum wage job, than they would be by staying on AFDC. Mothers and fathers have more self-esteem. Their children are doing better socially and in school. And the entire family has a more optimistic outlook. They are pursuing the American dream instead of wallowing in the despair of welfare.

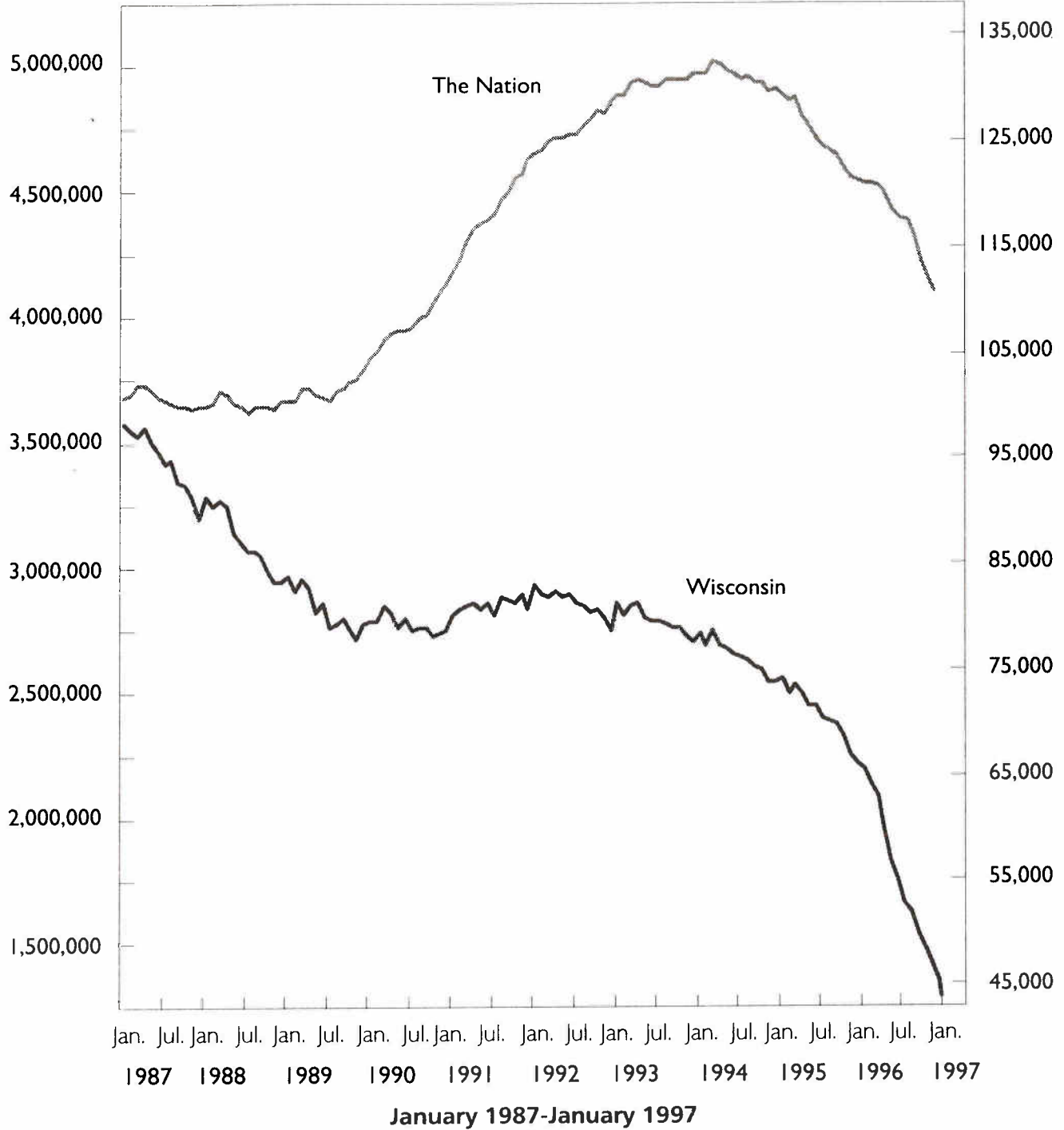
Those who have used our reforms to escape welfare speak to the success of these programs. Robert Rector's article in *Policy Review* mentioned Colleen Clancy of Milwaukee, a 33-year-old mother who had been on and off welfare since 1982, but who is working and supporting her two children now. Then there is Caroline Hanveldt of Ellsworth, a mother of six who was on welfare for ten years until Work, Not Welfare came along. The program helped Caroline get a GED diploma and a job at a health care facility. Caroline told me, "People say I even look different. They say my face glows. I guess I'm proud of what I've been able to accomplish." And there's Lisa Meisner who used Work, Not Welfare to get a job as a welder. Lisa told me, "It's nice to cash a check that has Brenner's Tanks' name on it rather than a Wisconsin state seal." They are just a few of the people whose families are better off now because of Wisconsin's welfare reforms.

I would like to give you one more recent piece of evidence to show that our welfare reforms have proved to be much better for families than the old welfare system. As many of you know, our critics are out there. They are quick to spout their "sky-is-falling" rhetoric, claiming that children will be worse off under our reforms than under their old welfare system. In fact, last week in Wisconsin, they went around touting a story that appeared in the Milwaukee paper entitled "Plight of kids in city among worst. Child poverty rate rose fastest among top 50 cities." The story used statistics compiled by the poverty industry's Annie E. Casey Foundation to show that child poverty in Milwaukee rose from 14 percent to 38 percent.

# AFDC Families: Wisconsin vs. The Nation

Number of U.S. Families Receiving AFDC

Number of Wisconsin Families Receiving AFDC



But the advocates didn't bother to point out the time period they used when gathering these statistics. So the statistics made headlines—until we pointed out that the increase in child poverty took place from 1969 to 1986, the height of the federal government's Great Society programs, the height of welfare. The raw statistics showed that as welfare grew, so did child poverty.

After reading this article, I went back and looked up the Annie Casey Foundation's figures on Wisconsin in its 1996 publication, *Kids Count*. This book compared child poverty figures from 1986 to 1993, essentially the same time period during which we initiated our new welfare programs and various welfare reforms. During that eight-year period, child poverty in Wisconsin went *down* 13 percent and child abuse went *down* 15 percent.

So let's compare these two Annie Casey Foundation studies side by side. During a two-decade period under welfare, child poverty rates soared. But under our seven-year period of welfare reforms, child poverty decreased. What a damning indictment of the welfare system these studies turned out to be, and what a bold testament to welfare reform!

It amazes me that the so-called child advocates want to keep a system in place that their own statistics show is harmful to children. I know we are on the right track in Wisconsin, and I know families are better off because we cared enough to replace the failed welfare system. For example, one of the ladies that I had invited into the executive residence was having trouble, and she did not have very much self-confidence. She said to me, "Would you call this employer and see if I could get a job there?" So I called the employer that afternoon, and she got the job. Over the years, she has kept in contact with me. About five months ago, she wrote to let me know that she was doing well. She had gotten her GED while she was working. She kept getting promoted. And in her last letter, from Phoenix, Arizona, she wrote,

Governor Tommy, I want you to know where I'm at. Me and my daughter have left our beloved Wisconsin. We're now living in Phoenix, Arizona. And I just got promoted and I had to leave Wisconsin for this promotion. Now, I'm running the office in Phoenix, Arizona. And I want you to know that the next time you come to Phoenix, I want to take you out for lunch, and I can afford to pay for it.

I sat in my office and I couldn't help tears from welling up in my eyes. A letter like this made everything that I had been doing to reform welfare realistic. It put a face on welfare reform. And I knew from this letter and from her example that we were indeed going in the right direction.

When we first started our reforms in 1987, we were sending out welfare checks totaling \$46 million each month. We now send out checks totaling \$21 million. So, we have cut welfare spending from \$589 million to \$272 million a year—and the statistics are showing positive social results.

We have seen the statistics for attendance in school improve, and dropout rates have indeed gone down in Wisconsin during this period of time. Scholastic scores have gone up. I don't know if you can attribute this to welfare reform specifically; but our emphasis on education, on staying in school, and on school choice may be a part of this success. But other indicators are equally impressive. Child abuse has gone down by 15 percent and child poverty has gone down by 13 percent during this period. And we used figures from the Annie Casey Foundation, an organization that certainly is not going to construe them favorably toward us. In addition, child

pregnancy went down this past year, but it went down all across America, so I can't really take credit for that. I think there will be a lot of additional positive spinoffs to Wisconsin's welfare reform and W2, especially when people are working and bringing home money, and they become a family unit.

I am equally confident that every state in this country can have similar successes, especially in helping families climb out of poverty. I hope the Wisconsin experience can provide both inspiration and insight as states work to replace the failed welfare system. Abraham Lincoln once said, "You cannot help men permanently by doing for them what they could and should do for themselves." This is a basic principle of good government and a principle behind all of our efforts in Wisconsin. It is why Wisconsin's welfare reforms have worked so well.

## AFDC Caseloads: Change in Number of Families in 50 States and D.C. (Rank By Change in Caseload)

| Rank | 6 Months                    |        | 12 Months                       |        | 24 Months                       |        | 36 Months                       |        |
|------|-----------------------------|--------|---------------------------------|--------|---------------------------------|--------|---------------------------------|--------|
|      | June 1996-<br>December 1996 |        | December 1995-<br>December 1996 |        | December 1994-<br>December 1996 |        | December 1993-<br>December 1996 |        |
| 1    | Oregon                      | -18.4% | Wisconsin                       | -31.5% | Wisconsin                       | -38.8% | Wisconsin                       | -41.7% |
| 2    | Wisconsin                   | -18.1% | Oregon                          | -26.5% | Indiana                         | -34.9% | Indiana                         | -39.5% |
| 3    | Tennessee                   | -14.7% | Maryland                        | -20.8% | Maryland                        | -34.9% | Oregon                          | -38.4% |
| 4    | South Carolina              | -13.7% | South Carolina                  | -20.6% | Oregon                          | -34.9% | Maryland                        | -32.6% |
| 5    | Montana                     | -12.4% | Nevada                          | -19.0% | Oklahoma                        | -27.1% | Massachusetts                   | -30.9% |
| 6    | Alabama                     | -12.0% | Oklahoma                        | -18.6% | Massachusetts                   | -25.8% | Wyoming                         | -30.0% |
| 7    | Maryland                    | -11.9% | Montana                         | -17.8% | Tennessee                       | -25.7% | Louisiana                       | -29.9% |
| 8    | Indiana                     | -11.6% | Wyoming                         | -17.0% | South Carolina                  | -24.8% | Michigan                        | -29.8% |
| 9    | Nevada                      | -11.6% | Alabama                         | -16.3% | Wyoming                         | -24.6% | Tennessee                       | -29.4% |
| 10   | New Hampshire               | -11.0% | Kansas                          | -15.4% | Louisiana                       | -24.5% | Alabama                         | -29.1% |
| 11   | Mississippi                 | -10.6% | Indiana                         | -14.8% | New Hampshire                   | -24.4% | Oklahoma                        | -28.9% |
| 12   | North Dakota                | -10.4% | Tennessee                       | -14.6% | Alabama                         | -24.2% | South Carolina                  | -28.0% |
| 13   | South Dakota                | -10.1% | Virginia                        | -14.5% | Utah                            | -24.1% | North Dakota                    | -27.3% |
| 14   | Kansas                      | -9.8%  | Florida                         | -14.4% | Michigan                        | -24.1% | Kansas                          | -27.2% |
| 15   | Virginia                    | -9.8%  | Louisiana                       | -14.4% | Kansas                          | -24.0% | Utah                            | -27.1% |
| 16   | Wyoming                     | -9.6%  | Texas                           | -13.9% | Virginia                        | -23.1% | Mississippi                     | -27.0% |
| 17   | Oklahoma                    | -8.6%  | New Hampshire                   | -13.7% | Iowa                            | -22.0% | Florida                         | -26.7% |
| 18   | Michigan                    | -8.6%  | Georgia                         | -13.7% | Florida                         | -21.8% | Colorado                        | -26.4% |
| 19   | Utah                        | -8.5%  | Utah                            | -13.4% | Mississippi                     | -21.2% | New Hampshire                   | -25.8% |
| 20   | Idaho                       | -8.3%  | South Dakota                    | -13.0% | Montana                         | -21.1% | South Dakota                    | -24.5% |
| 21   | Florida                     | -8.2%  | Michigan                        | -12.7% | Texas                           | -20.6% | Iowa                            | -24.1% |
| 22   | New Mexico                  | -8.0%  | Mississippi                     | -12.4% | Colorado                        | -20.0% | Virginia                        | -23.4% |
| 23   | Louisiana                   | -7.8%  | Iowa                            | -12.3% | North Carolina                  | -19.5% | Montana                         | -22.8% |
| 24   | Georgia                     | -7.7%  | Idaho                           | -12.3% | Nevada                          | -19.3% | Ohio                            | -22.3% |
| 25   | Maine                       | -7.6%  | Massachusetts                   | -11.8% | Arizona                         | -19.3% | North Carolina                  | -21.2% |
| 26   | Colorado                    | -7.5%  | Colorado                        | -11.3% | South Dakota                    | -18.6% | Texas                           | -20.7% |
| 27   | Pennsylvania                | -7.2%  | Pennsylvania                    | -10.6% | Georgia                         | -17.7% | Arizona                         | -19.9% |
| 28   | Iowa                        | -6.8%  | North Dakota                    | -10.4% | Pennsylvania                    | -17.6% | Georgia                         | -17.7% |
| 29   | Vermont                     | -6.6%  | North Carolina                  | -10.4% | North Dakota                    | -17.3% | Maine                           | -17.7% |
| 30   | Texas                       | -6.5%  | New Mexico                      | -10.2% | Ohio                            | -17.0% | Arkansas                        | -17.6% |
| 31   | New Jersey                  | -6.3%  | Arizona                         | -9.9%  | Missouri                        | -16.9% | Missouri                        | -17.3% |
| 32   | Alaska                      | -6.2%  | Missouri                        | -9.7%  | New Jersey                      | -14.2% | Pennsylvania                    | -17.2% |
| 33   | New York                    | -6.2%  | New Jersey                      | -9.3%  | New York                        | -13.9% | Nebraska                        | -16.8% |
| 34   | Illinois                    | -6.1%  | New York                        | -9.2%  | Arkansas                        | -13.8% | Kentucky                        | -15.7% |
| 35   | North Carolina              | -6.1%  | Illinois                        | -8.1%  | Maine                           | -13.5% | New Jersey                      | -15.7% |
| 36   | Massachusetts               | -6.1%  | Vermont                         | -7.6%  | Vermont                         | -13.4% | Vermont                         | -14.4% |
| 37   | Minnesota                   | -5.3%  | Ohio                            | -7.2%  | Illinois                        | -13.4% | Minnesota                       | -12.9% |
| 38   | Arizona                     | -5.3%  | Maine                           | -7.1%  | Kentucky                        | -12.1% | Illinois                        | -12.6% |
| 39   | Missouri                    | -5.1%  | Rhode Island                    | -6.2%  | New Mexico                      | -12.1% | Delaware                        | -12.1% |
| 40   | California                  | -4.5%  | California                      | -6.2%  | Rhode Island                    | -12.0% | West Virginia                   | -12.0% |
| 41   | Kentucky                    | -4.4%  | Arkansas                        | -6.1%  | Nebraska                        | -10.6% | Rhode Island                    | -11.8% |
| 42   | Washington                  | -4.4%  | Nebraska                        | -4.8%  | Delaware                        | -9.3%  | New York                        | -11.3% |
| 43   | Nebraska                    | -4.1%  | Kentucky                        | -4.5%  | Dist. of Col.                   | -8.9%  | Nevada                          | -9.8%  |
| 44   | Rhode Island                | -3.9%  | Connecticut                     | -4.2%  | Idaho                           | -8.9%  | Dist. of Col.                   | -7.8%  |
| 45   | Arkansas                    | -3.1%  | Dist. of Col.                   | -4.0%  | West Virginia                   | -8.7%  | New Mexico                      | -7.5%  |
| 46   | Hawaii                      | -2.1%  | Washington                      | -3.9%  | California                      | -8.4%  | Washington                      | -7.0%  |
| 47   | Dist. of Col.               | -2.1%  | Hawaii                          | -2.6%  | Connecticut                     | -7.6%  | California                      | -5.7%  |
| 48   | Connecticut                 | -1.3%  | Delaware                        | -1.2%  | Washington                      | -7.3%  | Alaska                          | -4.7%  |
| 49   | Delaware                    | -1.2%  | West Virginia                   | -0.8%  | Minnesota                       | -4.1%  | Idaho                           | -4.6%  |
| 50   | Ohio                        | -1.2%  | Minnesota                       | 2.6%   | Alaska                          | -3.7%  | Connecticut                     | -2.9%  |
| 51   | West Virginia               | 3.4%   | Alaska                          | 3.6%   | Hawaii                          | 0.2%   | Hawaii                          | 8.4%   |
|      | U.S.                        | -7.7%  | U.S.                            | -10.2% | U.S.                            | -16.9% | U.S.                            | -18.0% |

Source: Department of Health and Human Services.

## AFDC Caseloads: Change in Number of Families in 50 States and D.C. (Alphabetical Listing)

| 6 Months<br>June 1996-<br>December 1996 |        | 12 Months<br>December 1995-<br>December 1996 |        | 24 Months<br>December 1994-<br>December 1996 |        | 36 Months<br>December 1993-<br>December 1996 |        |
|---|--------|--|--------|--|--------|--|--------|
| Alabama                                 | -12.0% | Alabama                                      | -16.3% | Alabama                                      | -24.2% | Alabama                                      | -29.1% |
| Alaska                                  | -6.2%  | Alaska                                       | 3.6%   | Alaska                                       | -3.7%  | Alaska                                       | -4.7%  |
| Arizona                                 | -5.3%  | Arizona                                      | -9.9%  | Arizona                                      | -19.3% | Arizona                                      | -19.9% |
| Arkansas                                | -3.1%  | Arkansas                                     | -6.1%  | Arkansas                                     | -13.8% | Arkansas                                     | -17.6% |
| California                              | -4.5%  | California                                   | -6.2%  | California                                   | -8.4%  | California                                   | -5.7%  |
| Colorado                                | -7.5%  | Colorado                                     | -11.3% | Colorado                                     | -20.0% | Colorado                                     | -26.4% |
| Connecticut                             | -1.3%  | Connecticut                                  | -4.2%  | Connecticut                                  | -7.6%  | Connecticut                                  | -2.9%  |
| Delaware                                | -1.2%  | Delaware                                     | -1.2%  | Delaware                                     | -9.3%  | Delaware                                     | -12.1% |
| Dist. of Col.                           | -2.1%  | Dist. of Col.                                | -4.0%  | Dist. of Col.                                | -8.9%  | Dist. of Col.                                | -7.8%  |
| Florida                                 | -8.2%  | Florida                                      | -14.4% | Florida                                      | -21.8% | Florida                                      | -26.7% |
| Georgia                                 | -7.7%  | Georgia                                      | -13.7% | Georgia                                      | -17.7% | Georgia                                      | -17.7% |
| Hawaii                                  | -2.1%  | Hawaii                                       | -2.6%  | Hawaii                                       | 0.2%   | Hawaii                                       | 8.4%   |
| Idaho                                   | -8.3%  | Idaho  | -12.3% | Idaho  | -8.9%  | Idaho  | -4.6%  |
| Illinois                                | -6.1%  | Illinois                                     | -8.1%  | Illinois                                     | -13.4% | Illinois                                     | -12.6% |
| Indiana                                 | -11.6% | Indiana                                      | -14.8% | Indiana                                      | -34.9% | Indiana                                      | -39.5% |
| Iowa                                    | -6.8%  | Iowa   | -12.3% | Iowa   | -22.0% | Iowa   | -24.1% |
| Kansas                                  | -9.8%  | Kansas                                       | -15.4% | Kansas                                       | -24.0% | Kansas                                       | -27.2% |
| Kentucky                                | -4.4%  | Kentucky                                     | -4.5%  | Kentucky                                     | -12.1% | Kentucky                                     | -15.7% |
| Louisiana                               | -7.8%  | Louisiana                                    | -14.4% | Louisiana                                    | -24.5% | Louisiana                                    | -29.9% |
| Maine                                   | -7.6%  | Maine  | -7.1%  | Maine  | -13.5% | Maine  | -17.7% |
| Maryland                                | -11.9% | Maryland                                     | -20.8% | Maryland                                     | -34.9% | Maryland                                     | -32.6% |
| Massachusetts                           | -6.1%  | Massachusetts                                | -11.8% | Massachusetts                                | -25.8% | Massachusetts                                | -30.9% |
| Michigan                                | -8.6%  | Michigan                                     | -12.7% | Michigan                                     | -24.1% | Michigan                                     | -29.8% |
| Minnesota                               | -5.3%  | Minnesota                                    | 2.6%   | Minnesota                                    | -4.1%  | Minnesota                                    | -12.9% |
| Mississippi                             | -10.6% | Mississippi                                  | -12.4% | Mississippi                                  | -21.2% | Mississippi                                  | -27.0% |
| Missouri                                | -5.1%  | Missouri                                     | -9.7%  | Missouri                                     | -16.9% | Missouri                                     | -17.3% |
| Montana                                 | -12.4% | Montana                                      | -17.8% | Montana                                      | -21.1% | Montana                                      | -22.8% |
| Nebraska                                | -4.1%  | Nebraska                                     | -4.8%  | Nebraska                                     | -10.6% | Nebraska                                     | -16.8% |
| Nevada                                  | -11.6% | Nevada                                       | -19.0% | Nevada                                       | -19.3% | Nevada                                       | -9.8%  |
| New Hampshire                           | -11.0% | New Hampshire                                | -13.7% | New Hampshire                                | -24.4% | New Hampshire                                | -25.8% |
| New Jersey                              | -6.3%  | New Jersey                                   | -9.3%  | New Jersey                                   | -14.2% | New Jersey                                   | -15.7% |
| New Mexico                              | -8.0%  | New Mexico                                   | -10.2% | New Mexico                                   | -12.1% | New Mexico                                   | -7.5%  |
| New York                                | -6.2%  | New York                                     | -9.2%  | New York                                     | -13.9% | New York                                     | -11.3% |
| North Carolina                          | -6.1%  | North Carolina                               | -10.4% | North Carolina                               | -19.5% | North Carolina                               | -21.2% |
| North Dakota                            | -10.4% | North Dakota                                 | -10.4% | North Dakota                                 | -17.3% | North Dakota                                 | -27.3% |
| Ohio                                    | -1.2%  | Ohio   | -7.2%  | Ohio   | -17.0% | Ohio   | -22.3% |
| Oklahoma                                | -8.6%  | Oklahoma                                     | -18.6% | Oklahoma                                     | -27.1% | Oklahoma                                     | -28.9% |
| Oregon                                  | -18.4% | Oregon                                       | -26.5% | Oregon                                       | -34.9% | Oregon                                       | -38.4% |
| Pennsylvania                            | -7.2%  | Pennsylvania                                 | -10.6% | Pennsylvania                                 | -17.6% | Pennsylvania                                 | -17.2% |
| Rhode Island                            | -3.9%  | Rhode Island                                 | -6.2%  | Rhode Island                                 | -12.0% | Rhode Island                                 | -11.8% |
| South Carolina                          | -13.7% | South Carolina                               | -20.6% | South Carolina                               | -24.8% | South Carolina                               | -28.0% |
| South Dakota                            | -10.1% | South Dakota                                 | -13.0% | South Dakota                                 | -18.6% | South Dakota                                 | -24.5% |
| Tennessee                               | -14.7% | Tennessee                                    | -14.6% | Tennessee                                    | -25.7% | Tennessee                                    | -29.4% |
| Texas                                   | -6.5%  | Texas  | -13.9% | Texas  | -20.6% | Texas  | -20.7% |
| Utah                                    | -8.5%  | Utah   | -13.4% | Utah   | -24.1% | Utah   | -27.1% |
| Vermont                                 | -6.6%  | Vermont                                      | -7.6%  | Vermont                                      | -13.4% | Vermont                                      | -14.4% |
| Virginia                                | -9.8%  | Virginia                                     | -14.5% | Virginia                                     | -23.1% | Virginia                                     | -23.4% |
| Washington                              | -4.4%  | Washington                                   | -3.9%  | Washington                                   | -7.3%  | Washington                                   | -7.0%  |
| West Virginia                           | 3.4%   | West Virginia                                | -0.8%  | West Virginia                                | -8.7%  | West Virginia                                | -12.0% |
| Wisconsin                               | -18.1% | Wisconsin                                    | -31.5% | Wisconsin                                    | -38.8% | Wisconsin                                    | -41.7% |
| Wyoming                                 | -9.6%  | Wyoming                                      | -17.0% | Wyoming                                      | -24.6% | Wyoming                                      | -30.0% |
| U.S.                                    | -7.7%  | U.S.   | -10.2% | U.S.   | -16.9% | U.S.   | -18.0% |

Source: Department of Health and Human Services.

**William J. Bennett**

**John M. Olin Distinguished Fellow in Cultural Policy Studies,  
The Heritage Foundation**

**I**t is a great pleasure and honor for me to be at Heritage with Tommy Thompson. I remember when Robert Rector initially came to my office and showed me the incredible numbers you've seen on these charts, and to tell me Wisconsin's incredible story. I told him that we had to do everything we could to get the word out about this. But would you believe that we had a little trouble getting Governor Thompson to come and make this presentation? His excuse? He was working! So I told him, "Tom, it is important to tell the world when you've had this kind of success." We knew well that part of the world would not listen—the story would not be given validity—unless it came from inside the Beltway. The message would not resonate across America unless it was proclaimed right here in Washington. So we are most grateful that Tommy decided to come and tell his story.

Tommy Thompson is justly famous. In fact, Governor Tommy is so well known that I think they named a rock opera after him. But as he noted, success has a thousand fathers. In this case, perhaps having President Clinton claim fatherhood for Wisconsin's successes sets a good precedent for the President to take responsibility for reforming the failed welfare system as well. But Governor Thompson will always be the ultimate quarterback on this issue. What he has done in Wisconsin is significant. The first thing I think we should say, that the American people should say, and most of all that members of Congress should say to Tommy is congratulations, because I believe this is one of the greatest social policy achievements of the past few decades.

Welfare has always been regarded as one of the most difficult and intractable problems of American society. Many have asked: What can we do? How can we move people off welfare? A lot of people have answered that nothing could be done. But now, thanks to Wisconsin's successes, we have empirical, demonstrable, unqualified evidence otherwise. And there are six points that we can take home from the Governor's presentation.

First, the good news about welfare reform is that it can be done. For too long, people from both sides of the political spectrum said welfare reform couldn't be done. Governor Thompson has proved the possible by the actual: He has proven that it is possible to reduce the welfare rolls, and he proved it by actually reducing Wisconsin's welfare rolls. That is an extraordinary thing to do. My advice to others, particularly those who work in Congress, is to learn from the Wisconsin experience and try to replicate it. I understand that governors around the nation are calling Tommy and checking his story out. That's good, and very important.

A second observation is that Wisconsin's success story is a precise example of why so many people are fans of devolution. Governors like Tommy and states like Wisconsin really are the leaders and laboratories of democracy. But look how hard Tommy had to push the federal government to get the waivers he needed to be able to implement these reforms. Tommy Thompson was successful because he was obstinate, he persevered in this effort, and he pushed and pushed and pushed to get the necessary waivers. It was against the will of many people in the federal government to let Tommy do this. Happily, Presidents Ronald Reagan and George Bush gave him the initial waivers because they saw this was the way to go. But governors should not have to plead with the federal government to be able to do something that makes sense—our priorities are wrong here. This is wrong in a true system of federalism.

Third, it is precisely those things that the federal government has messed up, and the human misery and dependency that its poor policies have created, that good state governments are being forced to clean up. But the excuses for inaction have come and gone. Senator Moynihan, it is your move now, sir. I would like to hear what you have to say about this evidence. I do not challenge lightly. I have the greatest respect for Pat Moynihan as an analyst of social problems and social issues like welfare and illegitimacy. I have had debates with Senator Moynihan over the years, and I've always learned from those debates. But he has continued to support a welfare system that is broken on the grounds that if we try to do something else, things will only get worse. But things are awful under the current system. And things are much better under the system that Tommy Thompson put in place. Those are clear and undeniable facts. So, I would like to hear a response from those who believe that changing the system will not work—if indeed there is any response that can be made.

Fourth, this success story is one of conservative governance at its best. Alexander Hamilton talked about energy and the executive. In Wisconsin, we see how this energy, this vision of Governor Thompson, coupled with very good staff, very good advisers, and very good people on the ground, can achieve these kinds of result. Just think about who Tommy talked to. To find out what the problems were, he talked to the people themselves. What was it that bugged them? What would they do instead? How would they react to certain kinds of motivation? And so he went, not to the bureaucrats, but to the people themselves who would be most affected. That's an important element to remember.

Fifth, this kind of program demonstrates smart public policy. Tommy's policies make common sense and, as Tommy stressed throughout his presentation, his welfare policy also makes moral sense. It assumes that people on welfare are like people who are not on welfare. It does not treat them like aliens from another planet. It assumes that they will respond to certain kinds of expectations, to certain kinds of accountability, to the lure and enticement of doing the right thing, and to the fear of suffering the consequences if they do the wrong thing. And in that way, it is very realistic and very intelligent.

I think a critical distinction in our time must be made between work and non-work. True work of any sort can be meaningful if it is done well and if it is done with a good heart and with the right motivation. When a person can come home with a check and say, "You know, I've earned this by doing that," it is meaningful. Idleness is significant. A lot of people frankly sit around not doing anything, just watching television. Some studies of television have shown that people watching television get very angry and start throwing things around, often at people who are close to them and small and vulnerable. This means it would be a lot better for them and for their families if they were out working and engaging their energies in something productive. Idleness is a problem in American society and a lot of the child abuse and drug problems come from idleness on the part of welfare recipients. I would prefer to see more work, even make-work, to that kind of idleness.

In cutting the size of Wisconsin's welfare rolls by more than 50 percent, Governor Thompson's programs have resulted in fewer people being on welfare, and it has given those people, like Phyllis in Phoenix, better lives. This is making America a better place, starting in Wisconsin. Like the efforts in New York City that have reduced crime, we now have a tough-minded, hard-headed, but compassionate conservatism with specific policies that reduce welfare dependency and help the poor pursue their own American dreams.



I have argued for years that conservatives should never yield the ground of compassion to the liberals. We should not say, as some conservatives say, "Oh, we don't do compassion." We are the compassionate party, because this is compassionate policy. This policy is saving lives. It is saving children. It is putting people in a position to hold their heads high and take responsibility for their own lives. This is *true* compassion. It's tough love, yes. It's hard-headed, but it is compassion as we were always taught—having a soft heart and a hard head. That's very good combination, and it describes what Governor Thompson has done.

I think Tom has not given sufficient credit to himself for his efforts and the efforts of his colleagues. Two years ago, people were saying, "Well, sure, they're turning it around in Wisconsin, but they're spending a whole lot more money." It is true that Wisconsin increased expenditures for training and for administration to make sure that they were targeting the people that needed it, helping them find jobs, and training them so they could work. And this cost has increased. But because Wisconsin has done it right and done it smart, the total cost of the program has gone down dramatically—because the rolls have been cut in half. If I understand it correctly, the cost per recipient administratively may be higher, but Wisconsin's total bill for the taxpayer is much, much lower. That's a very good governance.

The sixth observation I would like to make is that there isn't much else for opponents to hold on to. The only thing left for the critics to throw out on this is ideology. Hannah Arendt wrote years ago, "There is nothing that can blind men to reality so much as ideology." Some of our critics have put on ideological blinders and refuse to see the facts, to see the reality of these successes in Wisconsin. If there are genuine arguments to be made about the program in Wisconsin, or arguments to be made about these results, we want to hear them. If not, if the critics cannot come forward with an analysis that shows there is something wrong with what has been presented here, then this evidence from Wisconsin rules the welfare debate; this is the game to beat, and this is the game to emulate.

We have begun to crack, and to solve, one of the thorniest, knottiest, most difficult problems in American public policy today. If we can bring crime down in New York City and cut welfare rolls in half in Wisconsin through sensible leadership, then certainly we can attack some of our other seemingly insurmountable problems as well. This fact alone is extremely encouraging. One of the most important results of your program, Tommy, may be that, in addition to improving the lives of the people you've helped and in cutting the Gordian knot on getting the word out, your success has encouraged so many of us about the possibilities our work in politics, in governance, and in public policy can achieve.

There is a great deal of cynicism about politics and public policy right now, and there are a lot of reasons for this cynicism. If you have read the front page of *The Washington Post* for the past few days, you certainly could become discouraged about politics and public policy. Many Americans think politicians are a bunch of crooks and that nothing really ever changes in Washington, so why would anyone want to get involved in politics or public policy anyway? By your example, Tommy, you have shown us what the great 20th century writer John Buchan meant when he said that politics can be a great adventure. It can be a great vocation. People can live greatly and do great things in it if they keep their feet on the ground, if they keep common sense before them, if they have a sense of where they want to go, and if they are in it to do something which makes sense for the lives of other people, not just to advance their own personal egos.

So, for that encouragement, I thank you. So many of us went into the fields of politics and public policy to see if we could actually do something to help real people, to help this great Republic in a way that would be worthy of the faith our founders had in this country. Thank you, Tommy Thompson, for encouraging us on this score.