

Work

On December 31, 1998, Wisconsin's Aid to Families with Dependent Children program (AFDC) will be history. Its replacement? No one knows for sure, but some outlines have become apparent.

The wholesale welfare replacement now being formulated in Wisconsin will try and come to terms with the crippling twin problems of our current welfare system: illegitimacy and non-work. Wisconsin's program will combine strategies aimed at reducing births out of wedlock with strategies that foster responsibility through tough work requirements. A family benefit cap will be put in place to discourage further births while a household is on welfare. And benefits probably won't be paid to teens under 18, with group homes perhaps employed as a substitute. Individuals who still qualify for welfare under the new rules will have to go to work to receive benefits.

All of this is the handiwork of Wisconsin Governor Tommy Thompson, who is determined to replace his state's dole with "a self-sufficiency system—one based on independence through work." The election of Thompson as governor in Wisconsin back in 1986 surprised nearly everyone in the state. Previously a state representative from the little town of Elroy (pop. 1,500), Thompson's gubernatorial bid was written off by the Wisconsin media. Neither a smooth speaker nor especially

telegenic—he went through many razors in the campaign battling his five o'clock shadow—Thompson was considered too small-town and parochial. One Milwaukee reporter wrote of Thompson's "high-decibel, low-IQ rhetoric." Though not very eloquent, Thompson's common-sense message played well with Wisconsin's voters, and he pulled off a huge upset over sitting governor Tony Earl.

Thompson soon made reforming the welfare system his top priority. Says the governor: "The welfare system as it now exists is one of the root problems of the breakdown of the family which has caused the breakdown of community. Set up originally to be a temporary program, the only real radical change that has been made to it has been to make it permanent. A system that doesn't support the family or encourage work and doesn't require personal responsibility is bound to fail."

Thompson's first welfare reform was called Learnfare. Introduced in 1987, Learnfare required teenagers on AFDC to attend school regularly and complete high school or the equivalent. Failure to cooperate causes AFDC benefits to be reduced. Learnfare was opposed by everyone from the Milwaukee Roman Catholic archdiocese to the NAACP, who called the program punitive. Impressive results, however, soon quieted the critics. School attendance rose, and 8 percent of eligible teens lost benefits because they failed to regularly attend school in Learnfare's first year.

Thompson felt that Wisconsin's generous welfare programs were attracting individuals looking for a free ride. "Wisconsin was paying 40 percent more than what the same family would receive in Illinois," said Thompson. Taking office in 1986, Thompson reduced the level of AFDC payments by 6 percent, and then instituted a freeze. "It was sending a strong signal that we were not just going to keep throwing money at the problem," said the governor. By 1994, his seventh year in office, real, inflation-adjusted benefit levels had dropped by about 30 percent. Along with them, the Wisconsin welfare rolls had dropped by 21 percent, or about 20,000 households.

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Welfare

IN WISCONSIN

BY

WILLIAM D. EGGERS

AND

JOHN O'LEARY

IS WELFARE REFORM SCARING PEOPLE BACK INTO THE WORK FORCE?

Wisconsin says its welfare caseload fell to 74,000 last year from 98,000 in 1987, and only part of that is due to a strong economy.

The state has a pilot project in two counties that limits cash benefits to 24 months. For next year, Governor Tommy Thompson proposes to eliminate the state's share of general assistance, paid mostly to single males.

Koss Corp., the speaker maker in Milwaukee that had trouble getting full-time production workers last year, says 28 of 30 temporary workers recently accepted full-time jobs that start just above the minimum wage but include benefits. "Uncle Sam has been a pretty tough competitor for a long time," says Michael Koss, president.

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From the Wall Street Journal, April 11, 1995.

"The reality is that the governor's constant hammering away at welfare reform resonated successfully across every Wisconsin county," says Gerald Whitburn, Wisconsin's director of Health and Human Services. "In a way, what we have done is regenerate the stigma. We've said it's not okay to be on welfare."

Thompson's early welfare reforms, while groundbreaking at the time, are moderate compared to what he is embarking on now: blowing up the entire framework of welfare. The state Welfare Department is actually being eliminated, its functions transferred to the Economic Development Department. The message is clear: when someone comes seeking assistance, they better be looking for a job, not a handout.

Thompson's two-county pilot project "Work Not Welfare" kicked off in January 1995. It is the nation's first welfare reform requiring work and strictly limiting the length of time an individual can receive welfare benefits. After a two-year period, all AFDC cash benefits end. No exceptions.

Here's how "Work Not Welfare" operates: All AFDC recipients must sign a contract pledging to labor for their benefits. Within a month, they have to begin either a job or job training. After a year, recipients must be working in either a private firm for pay or a public job in exchange for benefits. By the end of the second year, cash benefits are cut off. Child care and health care continue for an additional year. "We are saying we've been nice to you so far, we've encouraged you up to this point, now it's time for you to break the welfare habit and get on with your life by working," says Thompson. "After you start working we'll continue to give food stamps and housing and transportation—for a while."

Since the program was formally announced in the summer of 1994 (and even before it was put into place) welfare caseloads dropped an impressive 17 percent in the two counties. What happened? Just like the woodpile where charity recipients used to be expected to work off some of their debt, today's "work test" weeds out those looking for easy cash. "We created the expectation that there would be no more free lunch," says Mark Liedl, a senior advisor to the governor.

One knotty question always comes up with regard to proposals to end welfare and replace it with work: What will be done about the people who don't have jobs after two years? Worried that there aren't enough private-sector jobs to go around for all current welfare recipients, many politicians and bureaucrats are looking for ways to insert exceptions into the

two-years-and-out approach. Some argue the government must be specifically responsible for creating jobs for those on welfare.

Thompson thinks this is a big mistake. "I think it's tantamount to setting yourself up to fail if you say that you're just going to set up government jobs in the end," says Thompson, who is convinced most welfare recipients will move into the private sector when they have no other choice. Some critics contend that many welfare recipients are simply incapable of holding a real job. Thompson advisor Liedl contends that critics of Wisconsin's program suffer from "inside the box" thinking. They base their conclusions on the likely behavior of welfare recipients under the current welfare system, which will soon be gone in Wisconsin. When it's sink or swim, proponents maintain, a lot more people will turn out to be swimmers than we might imagine today. "What will happen when there is really no welfare as we know it?" asks Liedl. "We think people's behavior will change dramatically."

One bit of recent evidence supporting this comes from nearby Michigan. In 1991, Michigan governor John Engler discontinued general assistance (GA) welfare for able-bodied males, saving the state \$250 million in benefits. This move spawned dramatic protests, including a "Tent City" at a park near the capitol in Lansing. When the shouting was over and the deed was done, however, the dire predictions failed to come true. And the move proved overwhelmingly popular with the voting public, with one poll showed 81 percent support. Engler doesn't regret cutting off GA, despite the protests and uproar it caused. "I think we did the right thing," he says—"and the evidence is quite compelling that we did." In 1991, 82 percent of Michigan's GA recipients had never held a job. By April 1993, 34 percent of terminated GA clients had found above-board employment.

Still, the question lingers: What happens to those who, for one reason or another, still are not working after two years? What happens to the ones who still don't swim? Governor Thompson takes off his glasses in response to our question, wipes his forehead and looks at us wearily. "If all else fails they're still going to get food stamps, housing, transportation, day care and so on," he points out. "All they're not going to get is cash. But believe me, there are jobs out there."

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William D. Eggers and John O'Leary are both fellows of the Reason Foundation. This excerpt is drawn from their book Revolution at the Roots, to be published in September by The Free Press.

Work

In 1996, the 9 million-member Church of Jesus Christ of Latter-Day Saints (popularly known as the Mormons) will commemorate the sixtieth year of its welfare program. It was in 1936, with the Great Depression sapping the strength and spirit of the nation, that our church's visionary president Heber Grant inaugurated the Church Welfare Program as "a system under which the curse of idleness would be done away with, the evils of a dole abolished, and independence, industry, thrift, and self-respect be once more established amongst our people. The aim of the church is to help the people to help themselves. Work is to be re-enthroned as the ruling principle of the lives of our church membership."

BY

RALPH HARDY

From this beginning, the Church of Jesus Christ of Latter-Day Saints developed a detailed system for social assistance that favors work instead of welfare. It has proven extremely practical and effective in helping vulnerable people. This I know from my own personal experiences.

In the late 1940s, when I was about eight years of age, my father roused me out of bed one early Saturday morning and announced that we were going to the stake (roughly analogous to a diocese) welfare farm. This was an exciting prospect; I had never visited a farm and I eagerly anticipated seeing many creatures of my imagination. However, when my father and I arrived at the enterprise on the far west side of

Salt Lake City, I was surprised not only by the lack of farm animals but by the large machete I was given. There ended the fun. For the remainder of that Saturday my father and I, along with several other men and their sons, harvested heavy, dirty sugar beets by hand, throwing them into the back of a three-quarter-ton truck. After hefting those beets I never felt the same about sugar again. I did, however, acquire a healthy respect for the life of a farm boy.

Later, a few years after my family had moved to Washington, D.C., the assignment came again to work on the stake welfare farm. This time, however, I held no illusions. I braced myself to work in the intense heat and 95 percent humidity that only the Washington area can promise in July. Throughout that day, which still ranks as one of the hardest episodes of labor I can remember, my father and I toiled in the fields digging fence-post holes.

It was with a little sadness that I later learned that this stake welfare farm had been sold, with a large dairy farm on Maryland's Eastern Shore acquired in its place. When I returned to Washington after graduate school, I spent many more Saturdays cleaning barns and pouring cement at the dairy farm.

When I turned 12, I became a deacon in the church like other boys of my age. One of my first assignments was to visit about eight families in our local congregation on the first Sunday of every month. My purpose in going was to collect from these families a "fast offering"—a cash contribution from each household equal to the value of two meals skipped by that family on the first Sunday of the month, known as Fast Sunday. I traveled by bicycle, and at the end of the afternoon I would bring all the offerings back to the bishop at the meetinghouse. These contributions created a pool of funds for our bishop to use in providing assistance to needy families in our ward. Although I did not know who these families were, I knew that our wise bishop would put the funds to good use.

When I was 34, the leadership of the church asked me to serve as bishop of my ward. One of the key assignments I was given, like all other bishops in the Church of Jesus

not Welfare

IN THE
MORMON CHURCH