

Racism in United States Welfare Policy

By Linda Burnham

The complex interplay of race and class in the United States ensures that certain areas of domestic policy are suffused with racial bias, bear the imprint of a more frankly racist past, are prone to political manipulation, and serve as touchstones for galvanizing key elements of a racist consensus. Social welfare policy is one such area.

The 1996 passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly known as “welfare reform,” underscored how deeply embedded are racial bias and xenophobia in United States domestic policy. But, of course, it is not racism alone that characterizes welfare reform. Researchers and advocates have carefully explored the profound gender bias of the welfare system as well.^{1,2} The majority of people now receiving welfare benefits are poor women of color who face the “triple jeopardy” of belonging to a disempowered class, marginalized racial and ethnic groups, and a subordinated gender.

As others have cogently argued, welfare policy is also labor policy.³ Indeed, within months of the passage of PRWORA, evidence was already emerging that workfare and Work First programs were depressing wages and displacing low-wage workers. In the boom economy of the mid- to late-1990s, employers recognized that “Everyone has been raising wages to get people... and this [influx of welfare recipients] will make it possible to hold pay steady.”⁴

Work requirements and time limits that coerce women into the paid labor force are not implemented in a gender- or race-neutral environment, and cannot be expected to be neutral in their impact. Thus, while the surge of former welfare recipients into the low-wage sector of the economy worsens wages and working conditions for the poorest strata of the working class as a whole, some

communities are hit harder than others. Communities of color, with traditionally higher unemployment and underemployment rates, higher proportions of very low-wage workers, and lower median incomes are further disadvantaged by PRWORA policies that force women into a labor market in which they have virtually no bargaining power.

There are substantial racial differences among working women. Full-time, year-round Latina workers earned a median annual income of \$19,817 in 1998, considerably less than the \$23,864 earned by African American women or the \$27,304 earned by white women.⁵ All women are far more likely than white men to earn poverty level wages. But, again, racial differentials are substantial. More than half of Latina workers, 51.8 percent, earn poverty level wages, compared to 40.7 percent of Black women and 29.7 percent of white women. African American women with less than a high school education faced 1996 unemployment rates nearly twice as high as those of white women—20.9 percent vs. 10.8 percent—while 15.9 percent of Hispanic women at this educational level were unemployed. Underemployment rates were even higher.⁶ Analyzing the labor market conditions facing women receiving welfare benefits, one researcher concluded: “Such high rates of un- and underemployment, which persist in a labor market that has experienced overall unemployment rates below six percent for over two years, suggest that it

From Welfare to Low-Wage Work

by Bill Berkowitz

"Ten years into welfare reform, caseloads may have decreased, but the number of people living in poverty has not," Robert Wharton, the president and chief executive officer of the Community Economic Development Administration, wrote in a recent piece in the *Chicago Sun-Times*. "At the same time, the safety net of services and support that once protected the poor lies in tatters. Today, working parents in ill-paid jobs often work themselves right out of eligibility for desperately needed assistance."

Just as all politics are ultimately local, the outcomes of welfare-to-work programs vary from state to state, and from locality to locality. Some programs have changed lives for the better, helping former welfare recipients find good jobs with decent wages and benefits. Other W-2 initiatives have failed and are complicit in the creation of a new underclass with more women and children in poverty, lacking even the most fundamental services.

A 2002 report by the Chicago, Illinois-based Joyce Foundation found that while hundreds of thousands of welfare recipients in the Midwest went to work since 1996, most had "taken jobs that pay low wages, are part-time, or don't last... As a result, most of those who have made the transition from welfare to work remain poor."

The foundation's report, entitled "Welfare to Work: What Have We Learned?" (www.joycefdn.org/welrept/), looked at welfare-to-work initiatives in Midwestern states, including Illinois,

Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin, and found that "both before and since 1996, these states... pioneered innovative strategies to support welfare recipients' transition to work, including 'work first' and 'making work pay' by offering cash assistance and other supports to working families.

"Work supports—such as child care, food stamps, and the Earned Income Tax Credit—have helped thousands of working families make ends meet. But many of the jobs are part time or short term, and wages are low. As a result, many working families still face serious economic hardships."

"If we define success in terms of helping women to take care of themselves and their families, we've seen some programs do better than others," said Jane Henrici, an Assistant Professor of Anthropology at the University of Memphis. In an email interview, Henrici, the editor of the recently published book, *Doing Without: Women and Work after Welfare Reform* (University of Arizona Press, 2006), maintained that "At least in the short term, women have reported more positive experiences where resources have been put into subsidized child care and early education, as well as other supports that vary by the region—such as substantive job training or support for higher education, reliable public transportation, and accessible healthcare facilities."

Henrici also pointed out that "Privatization and related features of the

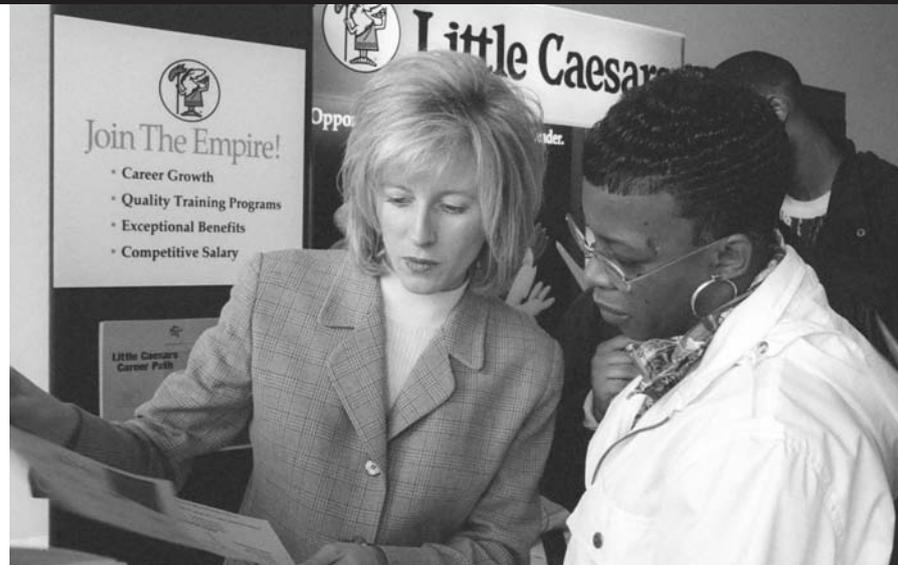
policies and their implementation have not proven to be beneficial: Too many women continue to struggle to find and keep a job that either pays enough to cover healthcare or provides benefits at the same time as their health and that of their children decline. In addition, the rising costs of housing, and of education for themselves as well as their children, make any sense of financial stability a target that keeps moving out of reach."

Henrici's book, *In Doing Without*, concludes that "one of the largest multi-city investigations on welfare reform ever undertaken [reveals] that the employment opportunities available to poorer women, particularly single mothers and ethnic minorities, are insufficient to lift their families out of poverty."

Contributors to the book look at "the challenges that the women who seek assistance, and those who work in public and private agencies to provide it, together must face as they navigate ever-changing requirements and regulations, decipher alterations in Medicaid, and apply for training and education.

Contributors urge that the nation should repair the social safety net for women in transition and offer genuine access to jobs with wages that actually meet the cost of living."

Wendell Primus, currently a policy advisor to incoming House Speaker Nancy Pelosi, was an outspoken critic of the original legislation; he resigned from the Clinton administration over welfare reform. In his remarks, Primus maintained that "while many families had



may be difficult for welfare recipients to meet the work requirements of the new welfare law.”⁷

Former welfare recipients generally end up holding low-paid, entry-level jobs in the gender ghettos of service, sales, and clerical work. A study of the first two years of welfare reform in New Jersey found that the average hourly wage of those former welfare recipients who were working was only \$7.31. More than one-third were holding jobs that paid less than \$6.00 per hour.⁸ A 1997 national survey found that adults who left the welfare system and were employed had a median hourly wage of \$6.61.⁹ This would bring a family just above the official poverty level, but fall far short of a “living wage.” Most former recipients who enter the labor

force work at jobs that do not provide them with benefits. Less than one-quarter of these workers was covered by health benefits in one national survey.¹⁰

Far too many families end up in worse economic circumstances than they endured while receiving welfare benefits. For example, a study that tracked families who left Wisconsin’s welfare system found that during the first year off welfare, only half of the families had higher income than they had while receiving welfare benefits, even if they had been working while receiving welfare.¹¹ An examination of seven state studies of former welfare recipients found that in only two of the states were families’ average annual earnings above the poverty line.¹²

Many women have been pushed off welfare but

earnings gains under welfare reform, a significant number would have done better without welfare reform under the expanding economy of the 1990s,” CNNNews.com reported.

“In the aggregate, there is absolutely no evidence that it (reform legislation) increased household income,” said Primus, pointing out that the rates of child poverty dropped more in the 1992-1996, pre-welfare-reform period, than they did in the post-reform period, from 1996-2000.

The Community Economic Development Administration’s Robert Wharton suggests that we “begin to take better-planned, more deliberate action to alleviate poverty. Such an effort will require a federal agency charged with mounting a coordinated, nationwide attack on poverty....We must also include as a priority in budgeting—from the federal level down—some sort of entitlement to basic necessities, including shelter, food, healthcare,

and education. These programs should be run on a sliding scale, so that the working poor are not penalized for earning what they can.

“We need scholars, social analysts, and politicians courageous enough to shepherd us in this national discussion of poverty. We must commit to the philosophy of providing for the neediest, or we will continue—unconsciously—to tolerate intolerable poverty at home and in the larger world.” ■

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Photo: At a job fair for welfare recipients in Detroit, Michigan, a recruiter for Little Caesars Pizza talks to a job applicant.

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have not found employment. Several studies show that 20 to 40 percent of former recipients find no work.^{13,14,15} As more and more women reach their two-year and five-year limits in an economy that is far less robust than it was when welfare reform was passed, they will face an even less welcoming labor market.

There is some evidence that racial disadvantage in the labor market is also being played out in terms of the rates at which different racial groups are leaving the rolls. Welfare use is declining rapidly among all races, but white recipients are leaving the welfare rolls at a much more rapid rate than Blacks or Latinos. In New York City, for example, the number of whites receiving welfare benefits declined by 57 percent between 1995 and 1998, while the rate of decline for Blacks was 30 percent and that of Latinos, seven percent. White recipients have led the decline nationally as well.

Some explanatory factors may include: higher average educational levels among white recipients; greater concentrations of recipients of color in job-poor inner cities; and racial discrimination in employment and housing. Susan Gooden's findings regarding racial discrimination in the provision of information and assistance,¹⁶ as well as her findings of racial differentials in employment outcomes among Black and white participants in one state welfare reform program,¹⁷ are clearly relevant here. Though the combination of contributing factors is undoubtedly complex, the more rapid transition of white recipients into the labor force is one indicator of the racially disparate impact of welfare reform.

The passage from welfare to work is beset with difficulties. Women are forced into jobs earning poverty-level wages that leave them worse off than they were while receiving welfare benefits. With no benefits, transportation problems, and high childcare costs, they struggle with the complex logistics of caring for their families while clinging to the bottom rungs of the economic ladder. Other women are sanctioned off the rolls or reach their time limits, but find no place in the paid labor force.

In the current political climate we have been

reduced to state by state battles to fight for the options which can be determined by state legislatures either within the federal framework or beyond it. In California, for instance, advocates are organizing to remove the punitive family cap regulations, which attempt to coerce women's child-bearing choices based on the false perception that they choose to have children to increase their welfare grant.

Unfortunately, the political impulse behind welfare reform, apart from being mean-spirited and socially regressive, is racist and xenophobic. Welfare reform is being implemented in ways that follow well-worn patterns of racial and anti-immigrant discrimination. And, the negative impacts of welfare reform are unequally shared. Left unchallenged, we cannot but expect that this policy will bolster white privilege and more deeply inscribe racial subordination. ■

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Linda Burnham is a co-founder and current executive director of the Women of Color Resource Center. She is the author of many research papers, including Racism in United States Welfare Policy: A Human Rights Issue, from which this article is excerpted.

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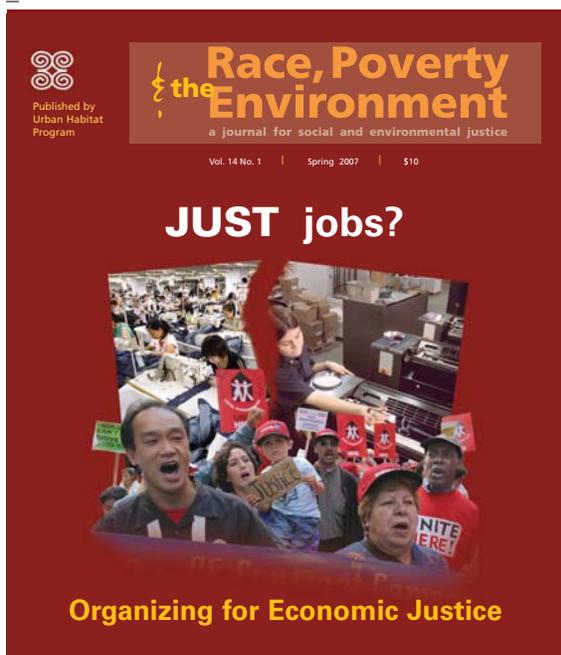
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