

Welfare Deform Down and Out in Honolulu

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In many respects, the landmark welfare reform of 1996 seemed to be a success. Nationally, between 1996 and 2003, welfare rolls dropped significantly. Employment among single mothers in poverty went up.

Republicans touted "the good news about welfare reform" as a sign that they were right: What the poor needed was a "hand up" and not a "handout." Even detractors, who initially saw welfare reform as a defeat for the poor, began to come around.

"I must admit it has actually worked better than I expected," said Kris Foster, financial assistance program administrator for the Department of Human Services. Since 1996, over 14,000 Hawai'i families have left welfare. Local unemployment figures are among the best in the nation.

State Rep. Maile Shimabukuro, a Democrat who also volunteers as a legal advocate for the poor, told the Weekly, "Welfare reform was actually positive in many ways because it removed the barriers to getting a job, keeping families together, saving money, and getting an education that were inherent in the old system."

Despite the optimistic picture of welfare reform, recent indicators reveal a more dismal picture: The nation's poverty rate shot up - most significantly in single mothers with children - including here at home. Since 1999, the homeless rate in Hawai'i has doubled. Despite recent upward ticks in the economy, decent jobs remain scarce and incomes aren't rising.

Critics argue that welfare reform isn't working because its policies are rooted in wrongheaded assumptions about its recipients; it assumes that the poor are poor because they aren't working, and that the solution is to push them into the work force in an expeditious manner.

With welfare reauthorization in Congress expected next year, it may be time to take a closer look at welfare reform.

The Trouble with TANF

Images of the poor have always played an essential role in shaping welfare policies. President Franklin Roosevelt saw the poor as mothers with children that suffered from unfortunate circumstance, "deserving" of government assistance. This resulted in Aid to Families with Children, a program that gave cash subsidies to recipients. During the 1960's "war on poverty," government assumed that the poor lacked the skills and education to make a decent living, which led to the creation of programs aimed at training and educating the poor.

But as government spending on welfare increased and the rolls grew - largely comprised of single women of color raising children - the public perception of the poor began to change. The poor were seen as undeserving, because they were immoral, lazy, a burden on taxpayers. "Our Contract With America will reduce what some 30 years of massive welfare spending has not been able to accomplish: reduce illegitimacy, require work, and save taxpayers money," said Speaker of the House Newt Gingrich.

This perception shaped the 1996 welfare reform, or the Personal Responsibility and Work Opportunity Reconciliation Act, which was aimed at balancing the budget by, in part, "ending welfare as we know it."

Under PRWORA, Temporary Assistance for Needy Families (TANF) replaced Aid to Families with Dependent Children, which ended welfare as an entitlement: A new five-year lifetime limit on benefits was imposed. Work or work-related activities became mandated. Legal immigrants were no longer eligible for benefits.

Under TANF, states funded their own welfare programs with an annual federal block grant. This year the DHS is eligible for about \$99 million in federal funds; it must also provide \$72 million in state funds.

But there is a catch: Under PRWORA, states are required to have 70 percent of their caseload working, or in some work-related activity, for 32 hours a week. If not, states can lose millions in federal funds, which means more money out of state pockets.

Hawai'i has a waiver until 2004, which has given it flexibility in meeting federal requirements. For example, the waiver has allowed the state to chop off an additional 20 percent from work requirements.

"Hawai'i was fortunate. We were able to do a social-services type of program that exempted people who needed it," explained Pat Murakami, administrator for the Benefit, Employment and Support Services Division of the DHS.

Persons with a child under 6 months, or caring for a child with a disability, are exempt. Those with a mental or physical disability or a victim of domestic violence could similarly be exempted.

But next year Hawai'i's waiver ends, and exemptions for recipients

with disabilities have already ended.

No Like Work

A basic assumption that underlies welfare reform is that recipients are on welfare because they do not want to work. But Foster of DHS tells us different: "Our population has always represented the working poor. Welfare reform has allowed the general population to see them in this light."

A 1999 study done by the Hawai'i American Friends Service Committee on the effects of welfare reform, found that 90 percent of their study group had been recently employed. What the study suggests is that people go on welfare not because they want to, but because they have no other choice. Those interviewed cited "multiple needs related to pregnancy, spouse abuse, abandonment or separation from spouse, and the job market."

"Most people come to us when they have no other choice," said Foster. "We are definitely an agency of last resort."

Consider E. Johnston, who lives in a second floor apartment on one of the small dilapidated streets that surround Iolani School. She raises her 4-year-old son and 3-year-old daughter alone since she left her husband two years ago.

Before her separation, Johnston was a full-time mother. "When I left my husband, I had to apply for welfare because I didn't have a choice."

"There are people who just want to do nothing and stay on the system, but that is not true for most recipients. They go on welfare because they have to," said Keikilani Meyer, who went on welfare when her son Logan was born. Meyer's then-employer would not allow her to work part-time, so she had to choose between taking care of Logan or leaving him in child care.

Welfare is supposed to help people like Johnston and Meyer, but TANF recipients have to work hard to stay on welfare. A recipient has to be working, searching for work, receiving training or education or a combination of all of these for 32 hours a week. Shawn Fremstad, a researcher with the Center for Budget and Policy Priorities, told the *Weekly* that many leave TANF because "once you get on, there are so many hoops to go through that it becomes a hassle. It's very intimidating."

Consider this: Of the 14,000 caseload decrease in Hawai'i families between 1997 and 2003, some 2,500 families left because of the 60-month time limit. This means 11,500 exited for other reasons.

"It just wasn't worth it," said Johnston, who left TANF as soon as she found a part-time job, even if it did not improve her financial situation.

As it was for Johnston, the 20-hour work requirement for mothers with children under 6 could be a logistical nightmare. Many poor

families use the bus to get themselves and their children to school, to day care and to one or even two jobs.

In fact, the DHS reports that the majority of recipients are working two jobs to meet the requirements, because most employers hire for 19 hours or less to avoid paying worker insurance. But even one 32-hours-a-week job can be draining. "I find that I'm always playing catch-up," said Nanette Myles, who applied for welfare when the father of her two children left. Before becoming a full-time student, Myles got on a bus from Mō'ili'ili to 'Aiea, where she worked 32 hours a week, then to Kapi'olani Community College for a once-a-week class. "Then I went home to do homework, get dinner and do laundry."

"As a single parent, it is so difficult to juggle your child, your job, school and your caseworker," said Meyer, who once commuted from Kāne'ohe on the bus. "But if you can't make it all work, you run the risk of losing benefits."

Falling short of meeting requirements can result in sanction. In Hawai'i, a second sanction will cause you to lose benefits until you are back in compliance, or for two months, whichever is longer. The third time, it's three months.

"It is very stressful," said Meyer.

The Senate version of the TANF reauthorization increases work requirements for TANF recipients to 24 hours for a parent with children under 6, and 34 hours for a parent with children age 6 and older.

No Can Work

'Welfare reform overlooks how not everyone on welfare can go to work right away, and that even if there are decent jobs worth taking, people need to be helped to qualify for those jobs," wrote Sanford Schram, professor of Social Work at Bryn Mawr College.

Many studies have found that one reason recipients go on welfare is because they have "barriers" to employment such as low education levels, lack of job skills or physical and mental-health problems. Forty-four percent of recipients report a physical or mental impairment. Additionally, between 15 and 30 percent of welfare recipients nationwide have been recent victims of domestic violence. Yet five years of government assistance is all they are eligible for.

"TANF was conceptualized for people who could just enter the work force," said DHS' Murakami. "However, to get all people job ready or employed within five years is difficult."

Take Tamara Kaai of Wahiawā, who has four children between the ages of 4 and 15. Tamara's husband left and she went on welfare. Before her 60-month TANF limit was up in August 2002, she was baby-sitting 20 hours a week and working towards getting her GED. (Twenty-eight percent of TANF recipients in Hawai'i have no high school degree.) Two

weeks before she received her degree, her caseworker told her: "That's it. you're on your own."

Kaai remarked, "I couldn't believe it. It was so sudden. So cold. It doesn't matter if you are making progress, you just have to get off."

Tamara eventually received her GED. But now what? If she is lucky, she can get a job making \$8 an hour. Working full-time, that's only \$16,500 a year, still below the federal poverty line.

Stopping the Silver Bullet

A year after welfare reform passed, Hawai'i was the only state where welfare rolls increased. Unlike the rest of the nation, the economy was in a slump and unemployment was high. "Hawai'i was portrayed in national media as the deviant child who won't go into reform," said Schram.

Because of the waiver, Hawai'i was allowed to exempt a higher percentage of people from work, and, like 40 other states, to allow higher ed to count as work. But Hawai'i also pushed a majority of people from welfare to work as quickly as possible, making it difficult to get a degree - even though it's the best way to get off welfare. Ninety-five percent of TANF recipients have no more than a high school diploma.

"Education is the silver bullet," said Schram.

Keikilani Meyer is getting her master's in urban and regional planning at UH-Mānoa. With a little help from student loans, Meyer makes enough to support her family through her work at the Hawai'i Council for the Humanities, where she helps poor and low-income families. When she graduates, she could get a job in the private sector starting at \$32,000.

Eleven years ago, her options were fewer. She was on welfare, with no college degree. Keikilani realized that she had to get an education to get anywhere, and enrolled part time at Windward Community College under the JOBS (Jobs, Opportunities and Basic Skills) program.

But Meyer was one of the lucky ones. She got a head start, before the time limits and work requirements were imposed.

In 1996, everything changed. Trying to educate poor families to get them on their feet was out, and getting them directly to work was in. "At one point, lawmakers decided that education was not the responsibility of the program," said one critic.

Backed by a report by the State auditor that found the JOBS program inefficient in terms of getting people into work, in 1996, Governor Ben Cayetano launched Project PONO - Pursuit of New Opportunities. Under PONO, the state's JOBS program was replaced by "First to Work," which came with a mandatory 32-hour work requirement. The principles guiding the program listed in the state plan are: "Welfare is not a way of life; parents, not government, are responsible for the

support and maintenance of their children; parents who are able to work, must work; families must be financially better off by going to work than staying on welfare."

"The big difference was that it emphasized work rather than education," said Gary Kemp, assistant administrator for the Benefit, Employment and Support Services Division of the DHS. When the program went to the 32-hour work requirement, "the number of women in higher ed dropped from 1,000 to 100." That drastic drop "was part of the rationale for revising Hawai'i's First to Work policy," said Theresa Bill, coordinator for Bridge to Hope, a DHS-UH-Mānoa program. For full-time students only, the hours dropped from 32 to 20.

Yet the numbers of welfare recipients in higher ed remain low. The majority of recipients cannot qualify to be full-time students and have no other options but to be pushed into work.

A 2002 Department of Health and Human Services (DHHS) report reveals that in terms of average hours spent per week for TANF adults, Hawai'i surpasses the national average in all work-related categories: 64 percent on work, 14.5 percent on community work experience, 12.7 percent on job search, 6.5 percent on vocational training, and a meager 1.9 percent on education - sixth from the bottom nationwide.

Some critics blame lawmakers for not making any effort or commitments in terms of education. "People in the Legislature want people in Hawai'i to do well," said one observer who declined to be identified. "But most aren't willing to make a big push to education. It wasn't a big risk to allow people to get educated when the rules allowed it. It is a cautious environment."

In 2004, higher ed hours will no longer count as work hours. "Increasing the number of work hours will also repeat the loss of workers pursuing education because the demand for 32-plus hours of work, plus caring for children, plus classroom hours, leaves single parents with no time for homework and school," said Bill.

The TANF reauthorization bill makes no special provision for higher ed.

From Welfare to Work to Poverty

Hawai'i has been effective in sending people down the welfare conveyor belt in a quick and tidy manner. In fact, the state received a well-publicized bonus from the DHHS for high performance in job placement and job success between October 1997 and September 1998. Meanwhile, unemployment has dropped to 4.2 percent, well below the national average.

Hawai'i has also fallen in line with the other states in terms of spending patterns: Since 1997, money spent on cash assistance has declined significantly due to caseload reduction. But spending on work-

related categories such as work programs and child care has increased.

"Our child-care costs have more than doubled," said Foster.

Between 1999-2000, the DHHS reports that although Hawai'i ranked sixth in job entry, seventh in success in the workforce and fourth in job retention, it ranked 28th in earnings gain. This means that although the state is getting people in the workforce and keeping them there, the jobs don't pay well.

According to a 2002 state Department of Labor and Industrial Relations report, eight of the 10 most available jobs in Hawai'i are low-wage (\$8 to \$11 per hour). The two highest require college degrees.

Nationally, TANF recipients average \$686 a month. In Hawai'i, average earnings per household are about \$600 per month, \$7,300 a year. Yet even at \$10 an hour at 40 hours a week, an annual salary of \$19,200 is hardly enough to survive on without assistance.

A 2003 Hawai'i self-sufficiency report calculates the income that is necessary to live with just the basics: housing, childcare, food, public transportation, health care - no frills, and no public assistance. For a single parent with two kids living in the least expensive area on O'ahu - Wai'anae or Wahiawä - she would have to earn \$37,515.

"Eight-dollars-an-hour service-industry jobs do not pay enough to support a parent and child, let alone more family members," said Barbara Tavares, coordinator for Special Services, Office of the State Director for Career and Technical Education at UH-Mānoa.

"Realistically, a safety net of support in the form of healthcare, food and housing benefits will always be needed for some people at various times."

Is Hawai'i More Compassionate?

Under strict federal time limits, work requirements and a set amount of funds, it is difficult for any state to be compassionate, let alone humane. Yet the lack of political will to figure out long-term solutions to coping with the straightjacket of welfare reform may be disastrous for mothers and their children in need.

Lawmakers don't seem to care anymore. (Of the 12 local officials called by the Weekly, only one, Shimabukuro, responded.) Campaign contribution lists are filled with businesses that rely on low-waged workers. Middle-class voters don't want to shoulder what they perceive as costly entitlements for the poor.

For years, Hawai'i's public schools have been failing to produce students that can aspire to more than being a store clerk or a tour guide. The majority of fourth graders are still not performing at their reading and math levels. Hawai'i's public schools receive low marks in teaching standards and teacher quality, according to Education Week.

In 2003, 53 percent of lawmakers have their kids in private schools,

and 45 percent of public school teachers on O'ahu have their children in private schools.

Things may have to get a lot worse for poor families before it gets any better. "Compassion" tends to kick in only when the misery of the less fortunate begins to intrude on the lives of the general public.