

THE WALL STREET JOURNAL.

March 18, 1987

Go Slow on Welfare Reform

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In recent weeks we have been bombarded by stories about the "new consensus" on welfare reform. There is one, but it is much shallower than most accounts suggest. And while there is a real opportunity for reform, there is also a great danger that the legislative process will produce only more of the same failed policies.

The new consensus revolves around the recognition that something must be done about long-term welfare dependency. About half of the new entrants to the Aid to Families With Dependent Children (AFDC) program will be off welfare within four years, generally within two, according to Harvard economist David Ellwood's analysis of data from the University of Michigan's Panel Study of Income Dynamics. They use government assistance as it is intended: as a temporary crutch until they can get back on their feet.

The other half, however, are on welfare for much longer -- on average, almost seven years. Moreover, nearly 25% of AFDC recipients stay on for 10 or more years.

From the left as well as the right, there is a growing concern about this form of poverty -- caused not by low income alone, but by an inability to cope. Too many people stay dependent on welfare through their own behavior, such as dropping out of school, having children out of wedlock, and failing to accept minimum-wage jobs.

This "behavioral dependency" is reflected in changes in family structure and labor-force participation, documented in a recent report of the nonpartisan, privately funded Working Seminar on the Family and American Welfare Policy:

-- The concentration of black and Hispanic poor in "high-poverty census tracts" in the nation's 100 largest cities (now totaling some 4.1 million people) grew almost 60% from 1970 to 1980.

-- In such locations, female-headed families outnumber families headed by married couples 3 to 1, and the percentage of men with jobs is far below that of 25 years ago.

-- Fewer than 7% of U.S. families headed by married couples have incomes below the official poverty line. But 34% of female-headed families are poor, and they have constituted the fastest-growing segment of the poor since 1965.

-- The 3.4 million mothers on AFDC work much less than non-poor mothers. Forty percent of non-poor mothers with children under 18 worked full time for at least 40 weeks during 1984, compared with only 9% of AFDC mothers.

-- Of the seven million children receiving AFDC in 1983, 46% were born out of wedlock.

-- Children born out of wedlock, regardless of race or age of mother, are more likely to be low birthweight, to drop out of school, and to themselves have children out of wedlock.

-- Only 13% of the working-age poor report as their reason for being unemployed that jobs are unavailable.

-- Labor-force participation of young black males ages 16 to 24 has fallen dramatically since 1962, from 59% to 44%.

In analyzing computer tapes of the University of Michigan study, political scientist Charles Murray, author of "Losing Ground," concluded: "Those who do the following three simple things are unlikely to stay long in poverty: (1) complete high school; (2) get married and stay married; and (3) stay employed at a job, any job, even at first at the minimum wage."

Mr. Murray found that:

-- Only 4.7% of black male heads of household with just a high-school education were in poverty or near poverty by 1980.

-- In the same year, among adult males of all races with just a high-school education, 91% had family incomes greater than twice the poverty level. Among adult black males, 86% had family incomes twice the poverty level.

Providing income-supports for people of low income is relatively straightforward, but helping the long-term dependent to adopt self-reliant behavior is far more difficult. The traditional solution of economic growth plus income supplements is not working well enough to diminish their dependency.

Central to the new consensus is the conclusion that it has been a mistake to offer welfare benefits without imposing on recipients the same obligations faced by other citizens to try to become self-sufficient through education, work and responsible family behavior. There is a renewed realization that government policy helps establish a moral climate -- that, properly directed, it can set goals of self-reliance for all citizens.

Workfare is the centerpiece of the new consensus. Liberals and conservatives have joined in agreeing that welfare recipients should be required to take part in work (or time-limited training programs) as a condition of receiving benefits. Young mothers should be required to complete high school (or its equivalent) and prepare for future employment; older mothers with previous

work experience should be expected to find work in the private sector or (as a last resort) to accept assignment in the public sector. Even mothers with very young children should work, goes the new consensus. The idea is that education and work are necessary to develop sound habits of self-reliance. Gone is the concern that AFDC work mandates are a form of "Slavefare," the phrase that so discredited similar efforts in the '60s and '70s.

The consensus about the need to impose obligations on welfare recipients is a historic opportunity to reduce behavioral dependency. Broad support for workfare "reflects strong ideas about responsibilities and self-support, and at the same time is being implemented in many states on a basis that provides the support and assistance needed to motivate, prepare and assist welfare family heads to obtain employment," writes Richard Nathan, chairman of nonprofit Manpower Demonstration Research Corp., which designs, manages and studies demonstrations and social experiments aimed at increasing long-term self-sufficiency of the disadvantaged.

But there is a catch. Past federal job-training programs have not had impressive results, and the current wave of innovative workfare experiments have had only modest success. A recent General Accounting Office report on state workfare experiments concludes: "Evaluations of the work programs have shown modest positive effects on the employment and earnings of participants. But wages were often insufficient to boost participants off welfare. Thus, programs should not be expected to produce massive reductions in welfare rolls."

Minimizing these disappointing results, some on the left are using the idea of obligation as a justification for a major expansion of welfare spending. Proposals to spend one, two or more billions are circulating on Capitol Hill. Others, on the right and the left, fear we may see a replay of the Comprehensive Employment and Training Act (CETA), which after \$60 billion spent between 1973 and 1984, was widely perceived as a local boondoggle of failed expectations. They have a point.

We should be wary of excessive eagerness to embrace workfare and similar programs as a panacea. H.L. Mencken is quoted as saying, "For every human problem, there is a neat, clean solution -- it is always wrong." We do not yet know whether workfare falls within his warning, but we should take heed. Recent proposals, like that of a National Governor's Association task force, to spend large amounts of additional money on workfare are, at best, premature.

Instead, we should adopt a step-by-step approach to workfare, securing sound successes and avoiding over-promising and disillusionment. Programs should be neither massive nor designed for swift results. Rather, they should be aimed at steady progress in increasing the proportions of the employable engaged in constructive work.

Moreover, in administering welfare, the principle of federalism should be maintained. There can be no single, national approach to workfare. Local conditions vary too much. Hence, state and local governments should be given great latitude to experiment with methods of reducing poverty and dependency. Rather than specifying programmatic details, federal rules should give

states and localities a financial incentive to reap the benefits of moving the dependent from passive reciprocity to productive work.

The opportunity for reform should not be misspent by overspending. As a national community, we cannot afford another failed effort at welfare reform.

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