

# The Sad History of Welfare in Modern America

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Assistance for the poor and unemployed has taken many forms in the history of the United States. Heavily influenced by the Poor Laws of England, government programs for the indigent and poor were community based during the 19th Century. In addition to the government programs, there were numerous self-help organizations, often religious and ethnically based, caring for the sick, unemployed and orphaned.

In the 20th Century, The Great Depression of the 1930's caused massive unemployment, and the federal government intervened with work and public relief programs. The federal programs began small and were basically limited to widows and orphans.

Simultaneously, with the advent of federal assistance, a philosophical belief in the effectiveness of government to train and transform lives gained acceptance. Influenced by Hegel and the Progressive era, the concept was that neutral bureaucrats could teach and mold people to become better citizens. An educated and knowledgeable bureaucrat could better train and develop Americans. An improvement over the haphazard guidance provided by family and community. American universities began to educate and train social workers to assist the poor.

In the 1960's, concerned about persistent black poverty, President Kennedy believed there was structural poverty in America. In 1964 President Johnson declared war on poverty. The federal government developed a plethora of training and educational programs. The combination of money, social workers and middle class guilt propelled The Great Society. Poverty was going to be eliminated in America. Conservatives and liberals endorsed training the poor to be self-sufficient. Along with the training programs there were increases in welfare grants which eventually became entitlements to any unemployed, unmarried person with a child.

The results were devastating. Generally training programs failed to develop work skills that assisted people to work. Additionally there was no government demand that welfare recipients obtain work. There was talk of self-sufficiency but no directive to obtain work. Generous welfare stipends and medical benefits were considered to be better than entry-level jobs. Few people entered the workforce and the welfare caseload steadily climbed.

The guarantee of money and medical benefits to unmarried persons with children born out-of-wedlock sharply increased the number of children being raised by a single parent. Generally children without the benefit of a two-parent family do worse in social, emotional and educational development. Many of the adults and their children became mired in dysfunctional behavior of alcohol and drug abuse. Tragically a couple of generations of

children lacked the personal and educational development to be competent citizens in American society.

Middle class America became indifferent to the needs of the poor. With the wide array of government programs, the middle-class American reasoned that the problems of society were being attended to by the professional social worker. And middle-class America conveniently ignored the problems of poverty. Simultaneously, with the advent of government programs, the self-help community organizations steadily faded away and essentially disappeared.

During the 1980's, America still believed training and education would solve the problems of poverty. But there was a growing awareness that the war on poverty was failing. There was no consensus on why or what to do. Generally, American liberals called for changing the training programs and a few conservatives called for work programs. The large bureaucracies of social workers and sympathetic university professors were the most vocal advocating for different approaches to training, and the intellectual debate on cures to poverty faltered and stalled. However, state politicians foresaw looming financial crisis with skyrocketing cost of welfare and Medicare. In 1988, the Family Support Act allowed for state experimentations with work programs.

The work-first demonstrations were successful, resulting in The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (1996 Welfare Reform). The 1996 Welfare Reform gave states flexibility to develop work programs, set time limits on welfare, cap benefits to women who have additional children, diversions from entering welfare and sanctions (penalties) for failure to participate. Again, the bureaucracies and university elites were sure the work programs would fail and children and families would be severely damaged. They were wrong. The 1996 Welfare Reform, setting time limits and requiring work, changed behavior. Welfare recipients, predominately women, obtained employment and increased their income. As income has increased, poverty for the mother and her children declined. The explosive growth of out of wedlock and teen birth-rates stopped.

What changed the behavior? Work requirements, time limits, diversion programs and strong sanctions for failure to participate changed behavior. Instead of living off public assistance people became productive and managed their lives.

Where is America today? The federal government recently passed stronger work and sanction requirements. Research shows that work, time limits and sanctions change behavior. The federal government is requiring the states to increase their work participation. Today, with the favorable results, few politicians and university professors are predicting gloom and doom.

Besides the government emphasis on work, secular and religious organizations are beginning to develop separate programs. Focusing on assisting the whole person, groups are forming to mentor the poor. Often working with the most difficult, the homeless and friendless. The most effective programs are programs that develop simple work skills, e.g., honesty, dependability, civility, and cooperation. More important these community organizations provide a mentor that assists the client in the transition to employment. Mentoring takes many forms. Kimi Gray, a former welfare recipient, mentored her associates in public housing all by herself. Cincinnati Works, a secular work placement organization, has job coaches that train, place and follow-up with employers and clients. Jobs for Life, uses biblical text, to train people for employment, and then has a member of the church “walk” with the client for 18 months as they transition into work and self-directed lives. These groups are having excellent results in securing and maintaining employment.

A mentor is a neighbor that guides and counsels a person. A mentor is a friend that assists a person in making decisions concerning work, education, family and community. Rather than a social worker that originally was educated to develop and mold a better citizen, a mentor is a friend that assists a friend to develop their skills and cope with the vagaries of life.

What caused the revival of mentors and self-help organizations? The community (regular people – not politician, academics or policy experts) recognized their neighbors had been lured into a life of indifference and disrespect for themselves. Thus, neighbors observing the dysfunction of their neighbors began mentoring friends and developing organizations.

Why did the government program fail? America spent twice as much on the War on Poverty than it did to fight World War II, but it failed and harmed generations of adults and children. It failed because the premise was wrong. A neutral government social worker cannot mold and develop a better citizen. As unsystematic as neutering is by parents, family and community, it is superior to a designed system run by the government. I do not know when the belief in the neutral social worker faded, probably in the Ford presidency in the mid 1970's. Unfortunately, by then the institutionalized bureaucracy shifted the discussion from molding and developing model citizens to low-income people having material needs. The mantra was the inequity and the inadequacy of capitalism.

Institutions are very powerful and government institutions are more powerful. They have a monopoly of power. Utilizing their influence and power the state and federal welfare bureaucracies morphed themselves

into being the protectors of the poor. And incrementally developed rules and regulation legally guaranteeing income and health care to all unmarried and unemployed parents with a child. And, of course, there was a multitude of other services, e.g., housing and food.

Ultimately, the state welfare institutions became functionaries. The caseworker verified eligibility and providing money and services. They did not treat clients as individuals. They treated people as a member of a group in accordance with laws and regulations.

Additionally, the government programs failed because the social worker did not believe their clients could improve. The caseworker reinforced the client's concept of inadequacy. To the contrary, Kimi Gray, who changed an entire community of neighbors from welfare dependence to productive and self-directed lives, knew that her illiterate neighbors could become productive. Dave Philips, the founder of Cincinnati Works, learned very early, what Kimi Gray knew instinctively. Cincinnati works nearly failed because the job coach, who placed people in work, did not believe the people could succeed. When Philips found job coaches that believe their friends could succeed Cincinnati Works succeeded. Naturally, this is why neighbors mentoring neighbors is so successful. They believe all humans have worth, have skills and can progress.

Finally, what is the future of assistance to the poor in America? I do not know. America does not have a clear concept of the future of welfare. For the role of government the results and academic analysis favor work, time limits and sanctions. The Bush Administration and a couple of powerful members of congress were able to mandate the recent changes. However there is major resistance from the state social workers that want to continue supplying money and services. The bureaucracy will passively and aggressively thwart the mandates of the law. Unfortunately the institutional influence of the welfare providers is greater than the knowledge and interest of the American voters.

Certainly the community organizations will expand. Ultimately, financial burdens will force the states to find alternatives, and will dismantle the welfare bureaucracy. Eventually, the federal government will probably cease being involved, and America will return to a system of local government and self-help organizations. Unfortunately, it will not occur soon enough for poor lured and trapped in a dysfunctional system.

Following are longer descriptions of the community groups lead by Kimi Gray, Cincinnati Works, and Jobs for Life. New York Way, an excellent and successful program in New York City, is also a model for government programs. ■

## *Kimi Gray*

Kimi was a very large African-American woman. Kimi had five children by the time she was 19 years of age and had no stable man in her or her children's life. By the time she was in her mid-thirties, Kimi was living in a deteriorated public-housing project (Kenilworth Parkside), teaming with uneducated and unemployed mothers with many children. Men occasionally visited their girl friends, usually bringing drugs and violence.

Recognizing that work was essential to being a free and self-directed person, Kimi educated, organized and lead her fellow residents from poverty to productivity; from recipients of public housing to ownership; from fear of her neighbors to living in stable and nurturing community; from children without fathers to children with participating fathers. Kimi Gray assisted individuals, families and her community to becoming productive and choosing their life careers.

Why was Kimi successful? She recognized and appreciated that every person has talents, and can organize and control their lives, be productive and be a significant member of society.

How did Kimi lead this transformation? First, Kimi locked the public housing managers out and took over running the project. Next Kimi went to neighbors and asked, "what are your desires, what do you want to do, how do you want to live." Kimi appreciated the value and rewards of work.

A few years ago, Kimi related to me how she started with her neighbors. The following is paraphrased: "I asked her what she wanted to be. She wanted to be a nurse. I next asked if she could read or write. She couldn't. Then I made a deal with her. I would teach her to read and write and she would work as an orderly in the local hospital. Next I went to the hospital and talked with the management. I was blunt. I told them they had two choices. Either hire my neighbor or they would see her repeatedly in the operating room as a non-paying patient. The hospital hired her."

Gradually Kimi's neighbors became employed and learned to read and write, to organize and direct their lives. Kimi and her neighbors at Kenilworth Parkside convinced the federal government to sell them the public housing. Instead of receiving free housing they became owners. It was through ownership of, responsibility for, and control of their housing that Kimi believed residents would improve their education, economic well-being and family functioning. Kimi was correct and at the time of her death in 2000, Kenilworth Parkside had an average of more than one college student per unit in the 464-unit development.

In 1993, as welfare reform was just beginning in the United States of America, Kimi wrote the following about America's welfare system and its effects:

*Welfare helps people get by but in doing so it programs them to be dependent. First it predicts, then enables, then dictates dependent behavior. It assumes you will be satisfied with a handout, as though living on the dole is all you're good for.*

Well, I'm good for a lot more than that, and so is everyone I know. When I was 19, I was a single mother with five children living on welfare in a run-down, crime-ridden public housing project in Washington, D.C.

Now, 28 years later, I still live in the same location, but it's a different place. That public housing project is now a residential development owned and operated by its residents. Crime is virtually non-existent, teenage pregnancies are rare, and few of the residents are on welfare, and then only for a short time.

I am president of the Kenilworth Parkside Resident Management Corporation, a multi-million dollar property management firm, and my five children all are college graduates and productive citizens.

As we residents of Kenilworth Parkside fought our way out of poverty we found that the biggest barrier to our progress was the welfare system itself; a morass of rules and regulations that penalized us if we got jobs, formed families, or tried to create small businesses or meet our own social, health, and educational service needs.

The anti-work, anti-family welfare rules are still in place, and the bureaucrats are still there to make life miserable for anyone who dares to dream of escaping the poverty trap.

Kimi was a very talented and gifted person, and it is unreasonable to expect all persons on public assistance to be so successful. However, the thousands of welfare recipients she assisted had a variety of talents and backgrounds. Kimi's approach was successful because her knowledge of people and poverty is universal. People do have talents; people will make positive choices and will become productive citizens. Further, people take pride in ownership, especially their homes. ■

## *Cincinnati Works and Dave Phillips*

Dave Phillips is a very successful and retired certified public accountant that founded Cincinnati Works. Phillips' accounting career caused him to observe thousands of employment institutions in many diverse cultures. A keen observer of employment, the economy and society, Phillips appreciates that an unemployed person in our global market economy is not a full citizen. A market economy expects people to be self-directed, productive and exchange ideas, goods and services. Unfortunately, an unemployed person withdraws from exchanging ideas, goods and services, and hence is not equal to an employed person. Phillips has dedicated his energy, time and money to employ all persons seeking employment.

Phillips, studious and observant by nature, researched the various models of assisting people to employment. Cincinnati Works, which is privately funded, has a very sophisticated system of putting people into work ready classes and placing people in employment with one of about fifty prearranged employers. Phillips has a very capable staff that assists people with work readiness skills, legal difficulties and emotional problems. Further Cincinnati Works has job coaches that are available to mediate between employer and employee.

Again, Phillips is an excellent accountant. He measures performance—what works and what isn't working. However, even with all the studious preparation, Cincinnati Works nearly failed in the beginning. Why? Phillips had studied all the various ideas, especially the human capital model

and work first. What went awry? The job coach, the person placing the potential worker, did not believe the worker could improve. They didn't believe the person could improve, stay employed and be self-sufficient. Phillips had to find job coaches that believed, just as Kimi Gray knew, that every person has talents and can organize and control their lives, be productive, and be a significant member of society.

Humans seek to improve. Unfortunately, most people working with the impoverished and unemployed do not believe their clients can improve. And the job coaches' lack of faith in their client severely reduces work opportunities for their clients.

Phillips corrected this error. He hired job coaches that believed their clients would improve. And today, Cincinnati Works is the most successful organization in America, placing people into work and maintaining employment.

Once Cincinnati Works hired job coaches that believe their clients would improve they focused on maintaining employed. The job coaches interacted with their client and the employer, assisting and insuring the transition to permanent employment.

Without data or research, but with many years of observation, I proffer that most government bureaucrats throughout the world lack faith that their clients can improve. Thus, the majority of government programs fail. ■

## *Jobs For Life*

Founded in Raleigh, North Carolina, Jobs for Life is a faith-based program, working with people without job skills or a history of work. Jobs for Life is biblically based and teaches the social skills needed to obtain and maintain employment: promptness, civility, honesty, and accepting supervision. Most important, Jobs of Life provides a mentor from their church that "walks" with their neighbor seeking work for 18 months. The mentor is a friend that helps the person seeking work to cope with financial, emotional and transitional issues that often bewilder a person beginning work.

Because of the strong mentoring assistance, Jobs for Life has excellent success in maintaining people in work. The combination of work and mentoring most effectively assists people in a life of self-sufficiency and satisfaction.

The following is how Jobs for Life describes their mission and approach.

Jobs for Life is a rapidly expanding movement rooted in the guiding principle that to lift people out of joblessness, hopelessness, despair, poverty and the roadblocks of

circumstance, they need far more than just a job. They need to have a life. A life filled with understanding, confidence, self-control, coaching, learning, guidance, and faith.

They begin building this life, with our help, by connecting with their community, by becoming part of it, drawing strength from its support, accepting responsibility, and by giving of themselves in whatever ways they can.

We believe that just finding a job for someone who needs a job—without providing much more—has never worked, no matter how many times it's been tried. We believe people in poverty, in confusion, who need a way out, who need a job, must first be willing to build a life around and within themselves.

We believe that just finding a job for someone who needs a job—without providing much more—has never worked, no matter how many times it's been tried. Jobs for Life mobilizes community and faith-based organizations, churches, business leaders, small business people, local government and to engage in this work through their

resources, their job opportunities, their time, their love, their counsel, and by serving as mentors, as coaches to those who are building new lives.

This is the ultimate expression of neighbors helping neighbors. And this is why it works. We are not only helping people live again, we are also helping all those companies

who are fortunate to hire them. Because we are building a remarkably stable, dependable, committed, loyal, ethical and productive workforce.

Studies show that Jobs for Life graduates keep and grow in their jobs with a higher rate of job retention than those of virtually every other jobs program. ■

## *New York City – Strong Mayor – Strong Administrator*

Welfare reform, that reverses years of government created dependence and dysfunction, requires strong political direction and an excellent administration that clearly signals work and the benefits of employment to recipients and welfare staffs. Mayor Giuliani of New York City empowered Jason Turner, Administrator of Human Resources Administration (HRA), to implement NYC WAY designed to encourage self-reliance and accountability.

### **Work First**

Since March 1998 NYC began emphasizing “work first” and began converting welfare offices into Job Centers. All eligible applicants entering a Job Center are assisted in exploring and pursuing alternatives to welfare. Assisted by an array of services, including employment placement and childcare, Job Center Participants are initially required to engage in a full time job search focused on obtaining unsubsidized employment. Those who do not find employment, participate in Work Experience Program (WEP) combined with other education, training and job search activities designed to help them achieve self-sufficiency.

### **Work Experience**

Work Experience is a structured work assignment for each participant who can work. WEP engages participants in work activities throughout NYC, providing participants with the opportunity to develop skills such as the ability to work with colleagues, take directions, get to work on time, and the capacity to complete assigned tasks. Participants also learn to manage the demands of work and personal obligation.

### **Substance Abuse**

NYC WAY requires all substance abusers to attend treatment. In addition all substance abusers are required to work as a part of treatment after a brief stabilization period. During this time the participant is tracked for compliance. The combination of treatment and work allows for positive interaction with fellow employees and focuses the person on accomplishing tasks, which encourages sobriety and responsibility.

### **Business Link**

NYC WAY has converted the former welfare centers into employment centers. Since July 1996, Business Link provides a no-fee employment service to NYC employers. Business Link provides companies with pre-screened, qualified applicants who are job ready for entry-level employment in areas such as retail and customer service, maintenance and security, as well as data-entry and office administration. NYC WAY recognizes that work and developing employment skills and knowledge is the only sure means to climb out of poverty and despair.

Business Link has an account manager that is assigned to an employer, managing all aspects of the employer relationship.

*A clear message to people receiving assistance:  
You shall work*

NYC Way clearly signaled to welfare recipients and bureaucrats that helping people find work is essential for individuals and families to improve their lives. Turner and company required a retooling of the services from determining eligibility and handing out money to finding employment and taking care of the needs associated with employment. The results have been exceptional.

### **Work Experience or Subsidized Work**

Essential to helping people achieve independence is the commitment to work even if a regular job is not available. However, our experience shows that subsidized work with mostly private employers is far superior to Work Experience programs which often are make-work jobs. In the Full Employment Program the employer provides a real job, a mentor and the training necessary for the job. The participant is a temporary employee and is expected to perform the assigned duties. The obligations and rewards of meaningful work enhances the skills, knowledge and interest necessary to acquire hirer paying and permanent employment. ■