

1999 Sparer Conference Keynote Address:

**The Link Between Welfare Reform
and the Labor Market**

F r a n c i s F o x P i v e n ^a

I'm very glad to be here. Ed Sparer was my friend and I want to join in honoring him. And I'm also glad for a chance to talk about welfare policy, and its implications for social justice in our society.

The press touts welfare reform as a great success because the rolls are down from their peak, by 44%.¹ Why is that a cause for celebration? Because the main argument in the campaign against welfare is that a too-liberal welfare system has had perverse effects on the personal morality of the women and children who receive welfare. Those presumed effects include lax sexual and childbearing behavior; the idea that women spawn babies to get on welfare, and that when welfare is available, the men who father those babies can easily walk away. Even more important, a too-liberal welfare system was said to make it possible for women to drop out of the labor force. Those charges, which became more and more heated as the campaign against welfare went on, sparked a kind of national revival movement to restore moral

a. Distinguished Professor, Political Science and Sociology at the Graduate Center at the City University of New York (Ph. D. University of Chicago); co-author with Richard A. Cloward of *Regulating the Poor: The Functions of Public Welfare* (1993) and *The Breaking of the American Social Compact* (1997).

compulsion to the lives of poor women.²

Politicians and the press now celebrate the big reductions in the welfare rolls in ways that keep the revival movement alive. Think of the press accounts of particular women, the stories about a Cheri, or an Opal, or a Denise, each of them tales about women who were kicked off welfare and, as a result, somehow pulled themselves together, found a job, put a life together for themselves and now are smiling and successful, their children proud, and so on.

Liberals inclined to defend poor women and their right to welfare have been in disarray. True, there have been efforts to answer charges about the perverse effects of welfare. One answer is simply that most women who apply for welfare don't stay on very long. True enough. Another answer is that most women who are on welfare are not the teenage moms evoked by all of the sex talk. And that also is true.³ Nevertheless, these are weak answers, weakly offered. Liberals are enfeebled I think because they also are distressed about the moral implications of too generous welfare state. In particular, liberals are uncomfortable with the possibility that if welfare is too easy, too generous, some people will not work.

The American Left has a great infatuation with wage work, an infatuation probably equally informed by Calvin and Marx. The Left regards wage work as the road to a kind of salvation, to the realization of human creativity and the development of solidarities, for example. On the other side, there was welfare, and the Left worried, not without reason, about the sort of life one could live on welfare, especially considering the low benefits and the constant insult that accompanies the status of the welfare recipient.

So, troubled by their longstanding romance with wage work, and by their justifiable dislike of welfare, the Left defense of the AFDC system against the forces that were seeking to dismantle it

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was weak. But caught up in this dilemma, not enough people wondered what sort of reform is welfare reform? Does it remedy the presumably pernicious aspects of welfare? Time has passed, and we now can begin to look at the impact of reform on the demoralizing aspects of the old welfare system, and its impact on wage work as well.

What the Left Overlooked: the Link Between Social Welfare and the Labor Market

Under welfare reform, the rolls are down, to be sure. But it's no trick to cut the rolls; simply refusing aid does that. Reducing poverty is another matter.⁴ Welfare reform has not brought us reductions in child poverty, despite the fact that unemployment is at a historical low.⁵ In Wisconsin, the flagship of welfare reform, two out of three people who were cut off welfare are worse off economically than they were when they were on welfare.⁶ South Carolina is one of the few states that has instituted a fairly careful method of tracking what happens to the people cut off the rolls. Their data indicate that welfare reform has resulted in increased economic hardship: more people default on their mortgages, on their utility bills, more people report they cannot get enough to eat for themselves and their children.

Under welfare reform, the food stamp rolls are going down, the Medicaid rolls are going down, for the obvious reason that the application for welfare was the main administrative route to foodstamps and Medicaid.⁷ Overall, it appears that about half of the people that have been cut off welfare are not in fact working.⁸ In New York 70 percent of the people cut off welfare are not working.⁹ And no one really knows what is happening to those

who did not get jobs.¹⁰ We do know that the food pantries and homeless shelters are deluged with pleas for help that they are unable to meet. And we know that those that do get jobs earn very low wages.¹¹

The gist of my argument today is that throughout this campaign, this national revival movement to restore moral compulsion to the lives of poor women, we were encouraged to look at the wrong issues. The American public became preoccupied with the morality of the personal choices of poor women. We were preoccupied with whether women who confronted very limited and bad alternatives were choosing the more moral of those alternatives. Was it right for poor mothers to take welfare? What we should have looked at instead was the impact of welfare cutbacks on the institutional arrangements that generate the choices which confront poor women. We should have focused on the bearing of welfare and welfare reform on labor markets. There are moral issues here, but they are not whether it is right or wrong for a woman to apply for welfare so she can be at home with her children or take care of her sick husband. Rather, the moral issues have to do with the distribution of economic well being in our society, as well as the distribution of opportunity and hope.

If we had focused on these moral issues, and the institutional arrangements that are implicated in them, we would have viewed welfare reform quite differently. As it was, welfare reform was celebrated because it would force poor mothers to work. But by forcing poor and desperate mothers to compete in the low wage labor market, the terms offered to low wage workers generally will deteriorate. Wages and working conditions will be depressed, not only for the women who are cut off welfare, but for large numbers of who are already working at low wages.

In fact, I think that welfare cutbacks are part of a broad

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reconfiguration of American social policy that is making work more insecure and depressing wages. Welfare reform is one very important aspect of this reconfiguration. Underlying this broad redirection of American social policy is an ancient logic, a logic that has always governed welfare policy and unemployment insurance policy, and before that, poor relief policy. The logic was grasped in 19th century England as the principle of "less eligibility."¹ The principle argued that no one who lives on relief should be as well off as the lowest independent laborer. In short, whatever benefits are available from relief or welfare must ensure that recipients are worse off than those who are at the very bottom of the labor market.

Nowadays experts use different language. The principle of less eligibility is discussed as the tradeoff between welfare and work. And buried beneath all of talk about the immorality of people taking welfare instead of working is the tradeoff. If people are able to survive according to the standards of their community without working, some will not work—especially when the only kind of work available to them is drudgery, work that earns them no respect, and that pays very little. In other words, when the terms of wage work are harsh and degrading, some people will choose welfare, unless welfare is even harsher and more degrading.

It also follows from this logic that if we have a welfare system that supports people at standards judged respectable by their community, employers won't be able to get workers unless they offer them something better than welfare. Stated another way, income protection programs give people a degree of economic security, a measure of protection from the exigencies of the labor market. That measure of security means power. It means that with a generous welfare system, workers are better able to bargain with their employers.

You can see the logic of the tradeoff in welfare reform. It is the logic of lifetime limits. No one can get aid from welfare for more than five years in a lifetime.¹² It is the logic of work requirements while on welfare. In many states an application for welfare now means an application for a work assignment, for some form of workfare. In all states, recipients must be assigned to work after two years. In Mississippi, welfare recipients are being placed in catfish and chicken processing plants. In Baltimore welfare recipients are being assigned to housekeeper jobs in hotels. And, in fact, recipients were used to break a strike at the Omni Harbor hotel in Baltimore. In Wisconsin, welfare recipients are being assigned to employers for full forty-hour weeks, and they get only a welfare check because it is called training. In New York City, recipients wear orange day-glo vests as they do the work that unionized public sector workers once did. New York is also trying to replace welfare centers with "job centers"—a device copied from Wisconsin. The main innovation in these job centers appears to be something called "diversion," practices which prevent people from making a formal application for welfare by intimidating them, or sending them to a food pantry, or simply making them wait.

At the same time, we have increased the harassment that both applicants and recipients must endure, and this is part of the same logic. Since we are not making low wage work much better, we are making welfare much worse, to prevent the tradeoff. We do this by increasing the stigma of welfare. Finger printing and drug tests are, after all, rituals of degradation. We increase the bureaucratic harassment, with multiple investigations, for example. And then we have greatly elaborated the rules, and expanded the discretion of welfare staff, to increase the occasions on which people can be sanctioned, by benefit reductions or outright cutoffs. Seven states now sanction people by cutting off all family benefits

after three violations of the rules.¹³ These violations often occur when recipients don't understand the notices they receive, or are late for an appointment. No matter the reason—a sick child, for example—the infraction justifies the sanction.¹⁴ In some states, most of the reduction in the rolls has been achieved by the application of sanctions for rule infractions.

Under these new and harsh conditions, there is no tradeoff at all for many people. Once a family reaches the time limit, there is no alternative to low wage work. Once a family is sanctioned, there is no alternative. And for people being made to clean the streets in an orange day-glo jacket, the terms of welfare are much worse than the terms of any work. Under these conditions, poor women will pour into the labor market and compete for whatever work they can find.¹⁵ As a result, wages fall. They fall first in the lower tiers of the labor market where former recipients are directly competing for work. But the depressing effects on wages radiates upwards into adjacent tiers of the labor market, as Robert Solow, economist at Harvard has argued.¹⁶

So let me restate the tradeoff as a law: welfare has a complementary relationship to the labor market. All else being equal, a more generous welfare system drives up wages. You can see this “law” operating everywhere in the world. In countries where welfare and social assistance are more generous, wages have not fallen in the 1980s and 90s. In countries where social assistance is stingy or is being rolled back as it is in Great Britain, the United States and Japan wages have fallen. You can also see the law operating within the United States. Before welfare reform, in states where AFDC benefits were lower, the wages of less educated women were also lower. And you can also see the law operating in the historical pattern of welfare expansion and contraction. In the 1960s, when welfare recipients mobilized in protests, not only in the welfare centers but in the streets, welfare

was liberalized, and when welfare was liberalized, wages rose.¹⁷

*The Broader Shift in
Social Policy*

Welfare reform has fastened on the dark side of the tradeoff. But the logic of the tradeoff also has benign possibilities. It makes possible a range of reforms that we have not been thinking about. Neither liberals or conservatives like welfare; they think it is demoralizing for people, and there is some truth to that, given the demeaning conditions of welfare. But if we want to do something about those demeaning conditions, to improve the conditions of poor families, we have to pay attention to the tradeoff. If we worsen welfare, families will leave the rolls, but those who remain will fare badly, and so will many more of the working poor. But if we improve the terms of work, raise wages, make medical assistance available to people outside of welfare, and provide child care, the rolls will also shrink. Those people who for whatever reason remain on welfare won't be worse off, and the working poor will benefit. The tradeoff can be used for good or for ill.

Moreover, although welfare is symbolically very important, it is not just welfare that has been "reformed" to take advantage of the dark side of the tradeoff. Unemployment benefits were also rolled back. In the 1970s almost 70 percent of the unemployed got unemployment insurance.¹⁸ Under the Reagan administration, the formula which made the unemployed in a given state eligible for long term benefits was changed, with the consequence that less than a third of the unemployed got unemployment insurance in the 1980s.¹⁹

Social security has also been rolled back. The age of eligibility is inching up, and rules are being relaxed to encourage people to continue working. And of course there is powerful pressure for

more draconian changes. When social security was initiated in the 1930s, the major idea was to take older people out of the labor market because they were competing with younger people and undermining wages. We have forgotten that idea. Foodstamps and Medicaid participation is shrinking. The drop among immigrants is particularly sharp, partially because immigrants are so susceptible to the chilling effects of welfare reform rhetoric and welfare reform practices. And, of course, the minimum wage has been shrinking in real terms. Despite the recent hike, the minimum is still thirty percent below what it was in 1968.²⁰

Thus we can see a broad redirection of social policy, away from income security programs that shored up the bottom of the labor market by making people more secure, towards work enforcement. We can see it in the cuts that I have described and the multiplication of welfare-to-work programs where social assistance of some kind is only given on the condition that they work, no matter what kind of work, no matter what they earn, no matter what respect is due them in that job, no matter their rights. We can see it in the expansion of tax benefits to employers who hire welfare recipients and often get the grants. We can see it in the expansion of the Earned Income Tax Credit program, which now costs more than we ever spent on AFDC.²¹ So this is not just a matter of saving public money. We can see it in our subsidized housing programs and some of the Medicaid provisions. Even in our homeless shelters, work is being made a condition of shelter.²²

The Agents of Change

Well, who is doing this? The large impact of these changes on labor markets and on wages argues that business is an important

force, hypothetically. And I think it is true that business has mattered in the politics of welfare reform and social policy reform more generally.

But business has rarely appeared in the debates over these policies in its own uniform with its own hat on its head. Instead it is business-backed think tanks and policy institutes, which are also multiplying at the state level now that welfare has been turned over to the states. Public intellectuals, created with business money, have been very visible and important in the welfare debate. The Heritage Foundation was the think tank of welfare reform. These policy institutes and think tanks stimulated a sort of astroturf movement for welfare reform—a fake grassroots movement for welfare reform. They regularly flooded congressional representatives with faxes, filled the press with op eds, and their people appeared on all the talk shows. They make sure there is a memo on the desk of every congressperson every morning. And while both parties get business dollars, in 1980 and 1994, two crucial years in the evolution of these policies, business money shifted sharply to the Republican party. So, in all of these ways, business has been very important.

But it is also true that there is a lot of popular support for the attack on welfare. Popular support in the form of the Christian right, popular support in the form of anti-tax groups, as well as groups like the National Rifle Association. And I want to say a few words about why there is popular support for a reconfiguration of social policy. I think the public focus on welfare was key to the cultivation of popular animosity, antagonism, even hatred of social policies. Even though welfare was a small program, it has big cultural meanings. In the campaign against welfare, the images were of welfare recipients lolling around on the stoop, drinking beer, making babies. They were somehow to blame for the economic tribulation of working people whose taxes paid for

welfare. And these stories were effective. There was a point in time when the surveys showed that people thought that welfare was absorbing most of their tax dollars. Welfare recipients were also to blame for the cultural shocks that people in the United States have experienced as a result of changing sexual mores, and changing family mores. The campaign for welfare reform, in other words, singled out poor women, most of whom were minorities, as some how to blame for much of what was going wrong in this country. Invoking all of the old, difficult themes in American culture—race and sex and poverty—these women on welfare became a kind of “Other.” Welfare practices reinforced that sort of morality play, that political psychodrama. Welfare practices, which punish and harass welfare recipients reinforce this construction of the “Other.” This great drama explains why so many people, including lots of people who are being hurt by welfare reform because of its depressing effects on the bottom of the labor market, have joined in the national moral crusade to discipline poor women.

Meanwhile inequality continues to increase in the United States. Income is more polarized than it has been at any time since the census first started collecting data.²³ Welfare reform and the panoply of policies associated with welfare reform play a role in this polarization. Federal Reserve Chairman Alan Greenspan implied as much in the summer of 1997. He explained to Congress that the United States’ economic performance was so extraordinary, so exceptional, in large part because a heightened sense of job insecurity had resulted in subdued wage gains.²⁴ Social and fiscal policy, including welfare policy, played an important role in the development of this insecurity.

Conclusion:

The Need for a Social Movement

One final comment: we are honoring Ed Sparer today and his ground-breaking work on legal rights for welfare recipients. Ed Sparer understood that his work on legal rights was made politically possible and powerful by the 1960s protest movement of welfare recipients. Even more, he understood that it was through upheavals from the bottom of our society that all of the great humanizing efforts in American history have been won. He understood that it was through protest among poor people that the welfare system was won in the first place in the 1930s, and that only as a consequence of protest in the 1960s was that program expanded, liberalized, and made to obey some of precepts of the law. I think he would have also understood that it will take a comparable protest movement to recover some of the social policies that were won in the past.

*Question and
Answer Period*

What are the roles of social workers and lawyers in social change?

Piven: I think lawyers and social workers play a very important role. What are the conditions, after all, that make protest from the bottom possible? Social scientists puzzle over that question, and they don't have very specific answers. But one thing I think is clear, that people don't engage in politics, much less take to the streets, unless they have hope, unless they think that they can't be singled out, rounded up, and suppressed, and unless they have reason to think their protests will resonate with other groups in the society. The way that advocates of all kinds talk and act can help

create the supportive context that makes protest possible. In 1994, women's groups and unions opposed welfare reform, but they did not speak out and make their opposition public. They did not take the issue to a public forum. Instead, they whispered to Clinton and Leon Panetta, "don't do this. It's not necessary and it's nasty." But whispering did not do any good.

What they had to do was to try to mobilize public opinion. It might not have worked but it would have given poor people more courage because they would have known that there were powerful allies out there. Why didn't they do it? Beltway organizations want to maintain their relations in the beltway. They also had a big stake in getting Clinton re-elected. I believe it was a political mistake and now we are living with the consequences of that mistake.

[Question regarding the anticipation of the changes in welfare policy and the possibility for progressive reform.]

Piven: We did anticipate that this would happen. In the first edition of *Regulating the Poor*, published in 1971, we predicted that when the protests of the 1960s subsided efforts to make relief programs into work enforcement programs would gain momentum, and that is just what happened in the 1970s and 80s. This did not happen all at once. The changes in the 1996 law in terms of legal entitlements were dramatic. But welfare grant levels have fallen in lock step with the minimum wage since the mid 1970s. Then Clinton campaigned on the slogan "two years and off to work." He wanted to show his credentials as a new Democrat, as a conservative Democrat—and enraged Republicans because he was stealing one of their best issues. They weren't going to let him get away with that. When they took over Congress in 1994, they showed him what two years and off to work really meant, and he

signed their bill. The historical pattern seems to me clear: when poor people are no longer a danger, no longer a threat in American society, the humanizing reforms that we invent when they are a threat tend to be rolled back.

Does that sound hopeless that there is no permanent, enduring reform? Well nothing is permanent. You have to keep fighting, and that is just the way it is.

[Question regarding how the rhetoric of the tradeoff and a work enforcement relief policy can be used to benefit the poor.]

Piven: The theory is that now that welfare recipients have become workers, their moral and cultural standing is enhanced so that they now can demand rights as workers. That certainly was the hope in welfare organizing—and is the hope among welfare organizers: everyone who works is entitled to a living wage, employment security, and health insurance, etc. It is an organizing tack, which I don't dismiss. But it is dangerous too if as a result of a concentration on that tack, which so far has yielded no wins, we desert welfare recipients themselves. It would be better perhaps to develop a hiring hall style of organizing which included recipients who were on welfare and those that were on welfare. Work assignments, after all, can be short lived. Indeed, tracking is showing that jobs people get upon leaving welfare often do not last very long.

Remember that the low wage labor market is very irregular and the lives of poor women are very crisis ridden, partly because they have such irregular daycare. So we need to experiment with a kind of organizing that reaches people no matter where they are temporarily—that is how the longshoremen and construction workers organized

[Question regarding the connection between welfare reform and changes in the criminal justice system, such as longer sentences and the proliferation of prisons.]

Piven: Part of the reaction, the backlash politics of the 1980s and 90s, led by professional politicians and organized business groups, was to make appeals to ordinary people in terms of their anxieties. One kind of anxiety had to do with crime, "the criminal element," which was always thought of as constituted by minorities. And another kind of anxiety had to do with what is happening to families and what is happening to work. These anxieties attached themselves quite easily to welfare recipients. Most people don't seem to see that building prisons and incarcerating so many is not good for the majority of our population. Rather than going to public schools and free clinics, public monies are going to build prisons. These cultural appeals are very powerful and can capture people who feel themselves in the throes of anxiety-provoking changes, which are hard to understand and control. So we have to worry about this cultural politics and the damage it can do to the minimal social democratic programs that we have in the United States.

[Question concerning the absence of the importance of education and the development of social capital in the discussion of welfare policy.]

Piven: Well it is not because people don't think of it. I teach at the City University of New York, which has been a target of budget cutters for 23 years. Before the 1996 law, we had 14,000 welfare recipients going to school at CUNY, learning, for example, to be health paraprofessionals and paralegals, learning skills from which they could earn a living wage. As consequence of welfare reform,

and the city's implementation of welfare reform, an estimated 13,000 students were forced out of the university system because they had to meet work requirements.²⁵ The policies did everything to make the completion of their education impossible. The city was reluctant to allow them to do their work assignments on campus, they still had to seek childcare, complete their school work, and meet their work requirements. These welfare recipients were trying to complete school because they knew full well that if they did not go to school they would be stuck in a minimum wage job for the rest of their lives. Contrary to popular belief, there is not a ladder of occupational mobility when you start with a minimum wage job. Instead, you end up twenty years later with a twenty-cent increase in your wages. There is no job ladder for most people out there without an education and marketable skills. It is rather a job trap. Because work enforcement and numerical decreases in the welfare rolls have so consumed the welfare debate, the importance of education and investment in social capital as a way of reducing poverty rather than just the rolls has not been a focus, and this is something that should be changed.

Notes

1. Caseloads have decreased by about eighteen percent since 1994, and in some states (e.g., Wisconsin, Indiana, Oregon) by forty percent or more. An estimated two million women and children have left welfare. Joel F. Handler, *Welfare-to-Work: Reform or Rhetoric?* 50 Admin. L. Rev. 635, 647-648 (1998).
2. One of the PRWORA's main goals is "end(ing) the dependence of needy parents on government benefits by promoting job preparation, work, and marriage." The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 § 401(a)(2), 110 Stat at 2113 ("PRWORA"). New York Mayor Rudolph Giuliani advocates putting welfare recipients to work, even at the expense of education, because working will restore a sense of dignity to those receiving public assistance. See David Firestone,

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Praising the Wonders of Workfare, Giuliani Finds a Campaign Theme, N.Y. Times, Mar. 20, 1997, at 3.

3. See Handler *supra* note 1 at 643-644. "Contrary to the stereotype, most welfare recipients are adults with small families (1.9 children, on average) and are on welfare for relatively short periods—between two and four years. Long-term dependency (five years or more) is rare—perhaps as low as fifteen percent. Furthermore, it turns out—again contrary to myth—that the largest proportion of welfare recipients are connected to the paid labor market. Many package work with welfare, and the most common route off of welfare is via a job. In other words, most welfare recipients have little or no problem with the work ethic."

4. In 1996, as the welfare rolls were plummeting, the poverty rate in America barely changed, dropping by a statistically insignificant one-tenth of one percent. See Peter B. Edelman, Recent Development: Welfare Reform Symposium, Introduction 50 Admin. L. Rev. 579 (1998).

5. The unemployment rate was 4.0 percent in January 2000.

<http://cnfn.com/2000/03/03/markets/stockswatch/>. "We have the lowest unemployment rate in 30 years," says President Clinton. <http://cnn.com/ALLPOLITICS/stories/1999/11/13/econ.reality.check/index.html>.

But according to David L. Gregory, details are lost in the "government's peculiar non-counting. For example, when one counts the underemployed, temporary, and contingent part-time workers who now constitute conservatively multi-millions of workers, and those the government no longer counts, such as workers who have vanished from the official unemployment figures because they have exhausted their unemployment compensation insurance benefits after twenty-six weeks, the 'official' unemployment level may be only one-third of actual unemployment."¹¹ See David L. Gregory, Br(e)aking the Exploitation of Labor? Tensions Regarding the Welfare Workforce 25 Fordham Urb. L.J. 1, 4 (1997).

6. The University of Wisconsin estimates that in Milwaukee County, there were only 25,633 jobs available for the 51,713 unemployed workers, new labor force entrants, and W-2 recipients who would be expected to secure private sector jobs in a year's time. In the state overall, there was a 1.8 to one ratio of such job seekers to jobs. See Brendan P. Lynch, Welfare Reform, Unemployment Compensation, and the Social Wage: Dismantling Family Support Under Wisconsin's W-2 Workfare Plan, 33 Harv. C.R.-C.L. L. Rev. 593, 605 (1998).

7. PWORA prohibits able-bodied, childless adults between the ages of eighteen and fifty from collecting food stamps for more than three months in any three year period unless they work at least twenty hours a week. There is no exemption for recipients who cannot find work. See Gregory, *supra* note 5; 18 Soc. Serv. § 387.1 (1996).
8. Even in cities where unemployment rates are low, the jobless rate for those seeking entry-level jobs may be twice that of other workers. For example, one study found that anywhere from four to nine workers are in search of entry-level jobs for every entry-level job opening. See Gregory, *supra* note 5 at 18.
9. A report recently issued by New York State stated that of the 320,000 people who left welfare in the last year, 29% of those found part or full-time work. See Benjamin Dulchin, Organizing Workfare Workers, 73 St. John's L. Rev. 753, 757 (1999).
10. In New York, "more than 300,000 people have left the welfare rolls in the last three years, although city officials have not followed them to see if they have found jobs." See *Id.* at 755, citing Rachel L. Swarns, Wisconsin Welfare Chief Chosen for New York City, N.Y. Times, Jan. 8, 1998, at B5.
11. According to Governor Pataki, if states are required to adhere to a federal minimum wage standard in implementing workfare, the program will become too costly. See Gregory, *supra* note 5 at 16.
12. Personal Responsibility and Work Opportunity Reconciliation Act § 408(a)(7).
13. For example, New York City's own records indicate that heavy sanctions for violating the program's strict rules have led more than a quarter of welfare recipients to lose their welfare benefits by 1997. Paul Moses, Rudy's Record: Is Mayor's Workfare Program on the Job?, Newsday (New York, Queens Edition), June 15, 1997, at A22. See also Edelman, *supra* note 4 at 583. "In Milwaukee, during late 1996 and the first part of 1997, sanctions were being meted out at the rate of 3,000 or 4,000 a month with error rates (for those who had the wherewithal to appeal) of around fifty percent. In New York City, in 1997, there were. . . error rates of nearly forty percent among those who appealed."
14. If parents with minor dependent children do not work pursuant to the federal mandate, the family will not receive the parents' share of the family's monthly welfare check for one month; for the second offense, the entire family loses its check for one month. Personal Responsibility and Work

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Opportunity Reconciliation Act § 407(e)(1). Benefits are lost for two months on the third offense and for six months on the fourth offense. *Id.* See also Vivian S. Toy, Tough Workfare Rules Used as Way to Cut Welfare Rolls, *N.Y. Times*, Apr. 15, 1998, at A1. In the first eight months of 1997, 16% of workfare participants were cut from the rolls for violations ranging from lateness to refusing work assignments.

15. For example, in New York City, at its current rate of job growth, assuming every job gained in the City's economy went to a person on welfare, it would take well into the next century for the economy to absorb all of the 470,000 adults on welfare now. See Gregory, *supra* note 5, at 19.

16. Robert Solow, *Work and Welfare* (1998). For a discussion of this phenomenon, see Dulchin, *supra* note 9, at 756. "The most significant impact of [New York City's workfare program, the Work Experience Program] is that in the last four years, some 24,000 City workers have been downsized from their jobs due to WEP. WEP workers have replaced regular workers. This is what WEP is really about."

17. Frances Fox Piven and Richard A. Cloward, *Regulating the Poor: The Functions of Public Welfare*, 356-357 (1993). "...income maintenance programs had weakened capital's ability to depress wages and enhance profits by the traditional means of intensifying economic insecurity, especially by raising unemployment levels."

18. *Id.* at 357. "In the recession of 1973-74, when unemployment rose above 10 percent, the basic 26 week period of coverage was extended to 65 weeks.... As a result, two out of three of the unemployed received benefits during the prolonged 1973-74 recession."

19. *Id.* at 360, citing *The Green Book* at 504. "Although 81% of the unemployed received benefits in April 1975, the proportion was driven down to 26% in October 1987—the lowest rate since the program was first introduced in the 1930s."

20. *Id.* at 353-354.

21. The Wisconsin legislature passed its state's welfare reform act, Wisconsin Works, despite estimates that it would cost \$66 million more than AFDC in 1997-98. See Scanlan, *The End of Welfare and Constitutional Protections for the Poor: A Case Study of the Wisconsin Works Program and Due Process Rights*, 113 *Berkeley Women's L.J.* 153, 156 (1998).

22. In the New York City workfare program, homeless adults living with their children in City shelters must work for the City in exchange for their welfare benefits. Advocates for the poor argued that New York City deliberately is using workfare to deter homeless families from seeking welfare and housing. See Gregory, *supra* note 5, at 18.
23. See John Cassidy, "Who Killed the Middle Class," *The New Yorker*, October 16, 1995 at 113.
24. The Federal Reserve's Semiannual Monetary Policy Report Before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate July 22, 1997, <http://www.federalreserve.gov/boarddocs/hh/1997/July/testimony.htm>. According to the Chairman, making employment "attractive" enough for those currently not working could also involve upward pressures in real wages that would trigger renewed price pressures, undermining the current expansion.
25. Edelman, *supra* note 4, at 587.