

Race and Welfare in the United States
Presentation to the CHN Welfare Advocates Meeting
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TANF Reauthorization: Where is the language of racial justice?

Historical Background: The Enduring Significance of Race

State Mother's Pension (1910s-30s)¹

- Exclusion of women of color
- Due to weak funding and the discriminatory use of local discretion
- Central to the prestige of the program as aid for "good mothers"

The Social Security Act of 1935 (1930s-60s)²

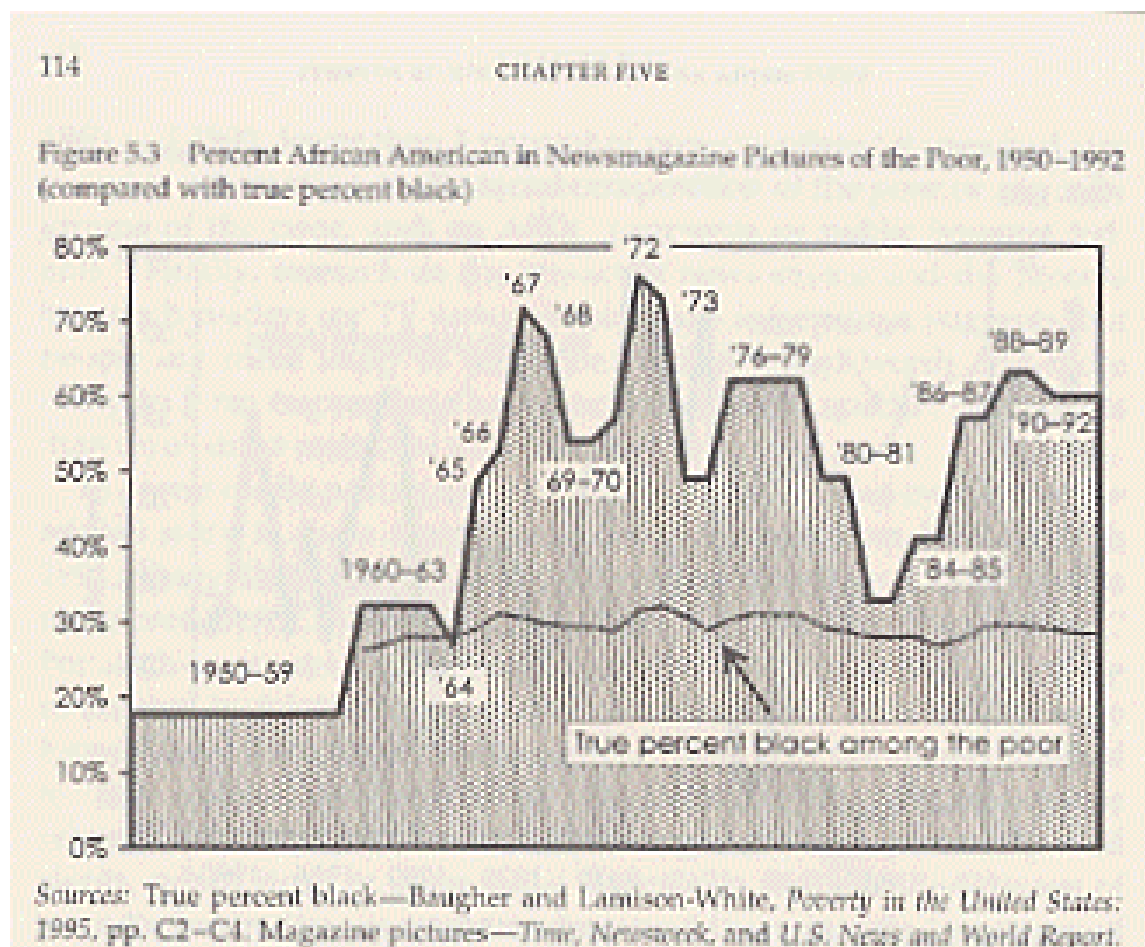
- Established a broad national system of provision
- Passage hinged on support from southern cotton interests
- A two-channel system of social insurance and public assistance
- Exclusion of domestic and agricultural workers as a way to divert African Americans from federal programs.
- State programs varied greatly, and were toughest in the South.
- Welfare agencies were notorious for their racialized uses of discretion.

The Great Society / War on Poverty (1960s-90s)³

- Altered racial context: Northern migration nationalized race relations as a political issue; the civil rights movement and urban unrest brought these relations to a higher place in the public consciousness. The welfare rights movement was bound up with the demands people of color were making for full inclusion as rights-bearing citizens.
- Legal and political victories created due process protections and opened up welfare programs to poor people who had previously been unable to get aid.
- Greater access and legal protection had several effects.
 1. Higher welfare participation – especially among people of color, who had suffered the most exclusion.
 2. A system that paired higher caseloads with under-funded and under-staffed agencies.
- Greater federal control during this period curbed some of the worst kinds of racial discrimination and some of the most obvious racial disparities across states.
- But where states kept discretion, disparities remained. For example, throughout this period, states with larger black populations offered significantly lower benefits – creating a national pattern of inequality in the amounts aid given to black and white AFDC recipients.⁴

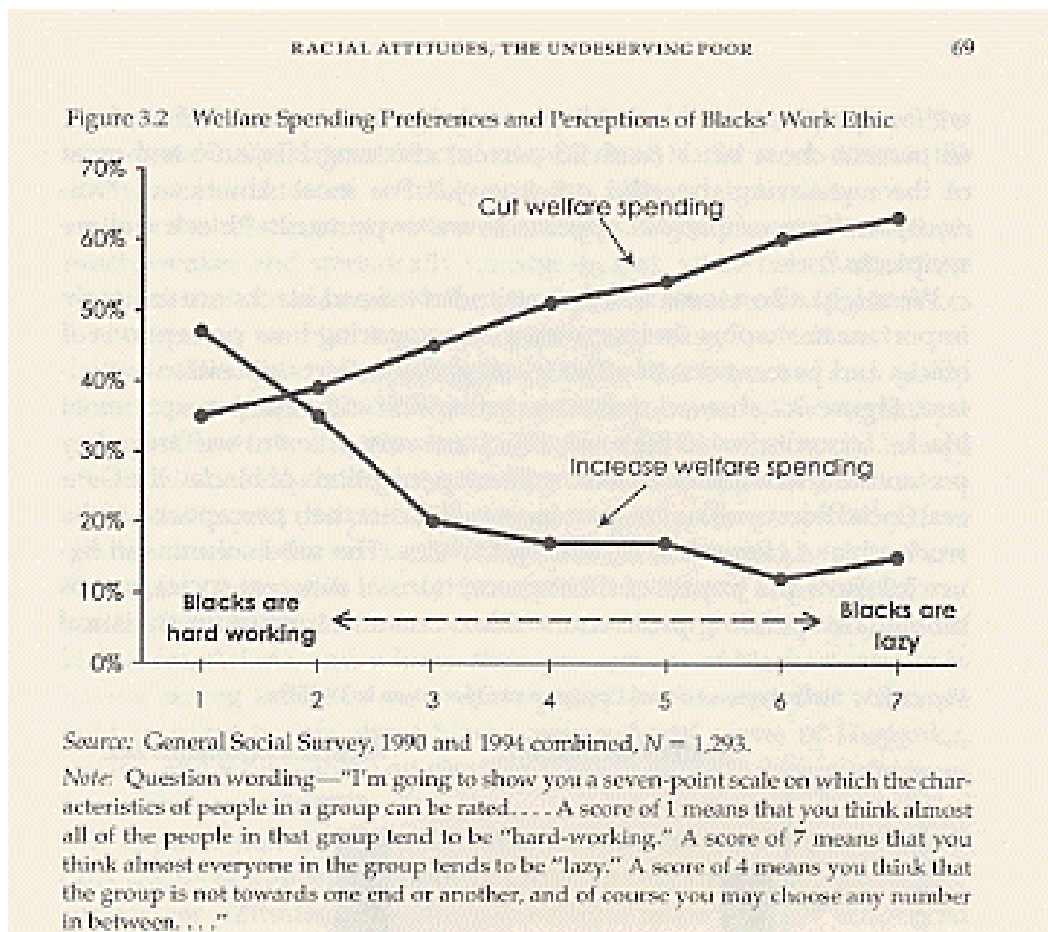
Racial Representations in Media Coverage of Poverty, 1950-1992⁵

- Relative to their true proportion of the poor, African Americans tend to be greatly overemphasized in media representations of the poor.
- The emphasis on black images increases...
 1. in periods when “welfare” is under greater criticism; the rate of white images increases during pro-welfare periods.
 2. in stories that focus on unsympathetic aspects of the poor (e.g., welfare fraud, “underclass” behaviors); white images are more prevalent in stories about the “deserving” poor (medical needs, hunger, education, etc.)



Anti-Black Stereotypes and White Support for Welfare⁶

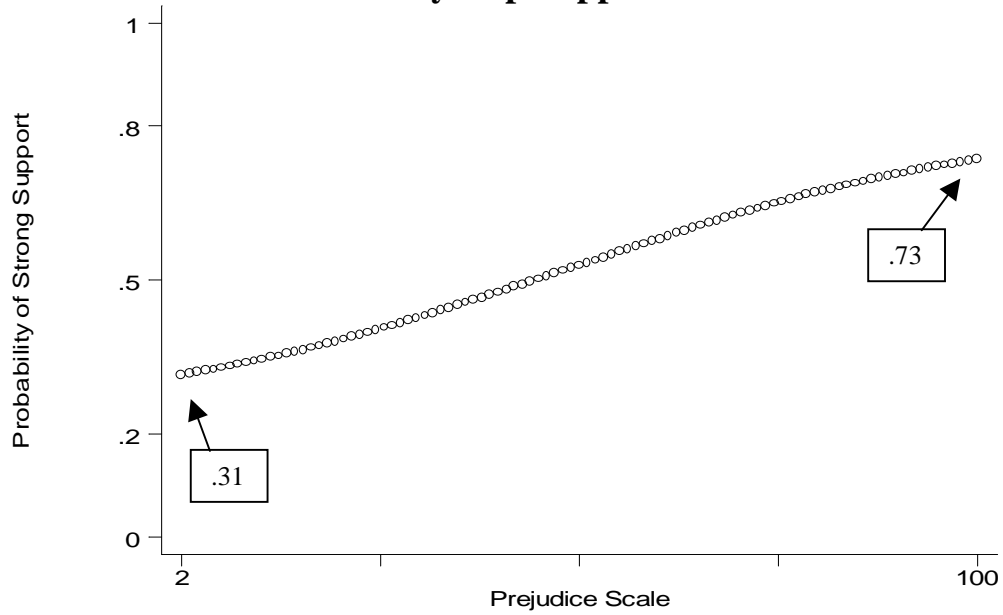
- White Americans generally support social programs (though not quite as much as black Americans). Their animosity is reserved for “welfare” and other programs perceived as benefiting “undeserving” recipients.
- Relative to white people, white Americans tend to view black people as...
 1. Lazier, less intelligent, more violent, and less trustworthy
 2. More personally responsible for their own poverty
 3. Less deserving of public assistance
- White Americans believe that most poor people and welfare recipients are black. This belief links racial perceptions to views of poverty and welfare.
- Among white Americans...
 1. Anti-black stereotypes are a very strong predictor of both (a) the belief that welfare recipients are undeserving and (b) opposition to welfare spending.
 2. Relative to beliefs about black recipients, beliefs about white recipients are a much weaker predictor white Americans’ views on welfare.



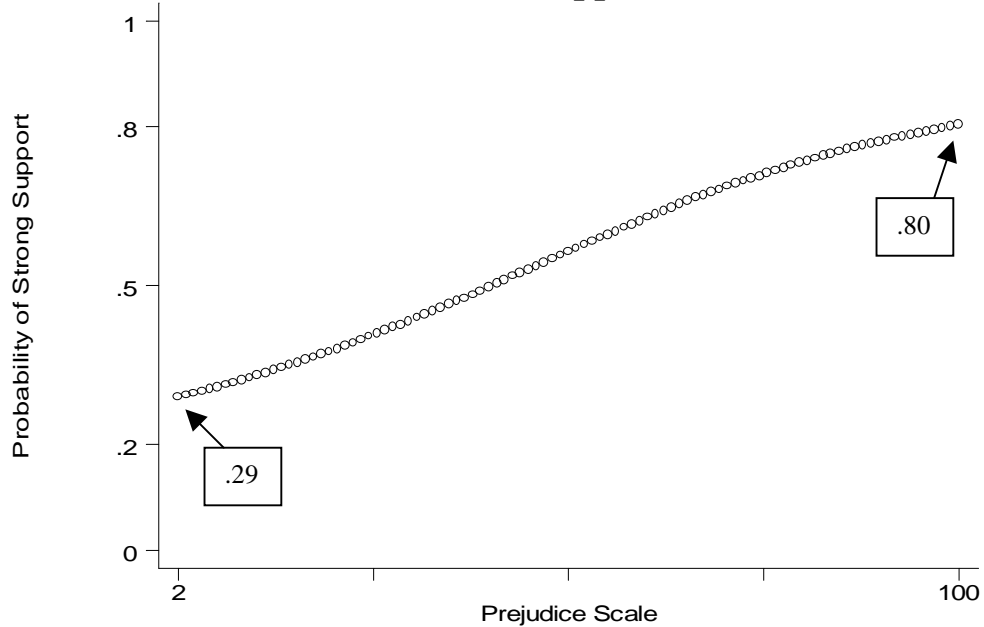
Anti-Black Prejudice and White Support for Welfare Reform, 1996⁷

(Data from the American National Election Study)

Family Cap Support



Time Limit Support



Effects estimated after controlling for: Southern Residence, Age, Education, Family Income, Sex, Unemployment, Liberal-Conservative ID, Party ID, Moralism, Individualism, Egalitarianism, and Punitive Crime Orientation.

State Policy Choices: The Hard Line and the Color Line⁸

I. State Policy Choices, 1997

- Work Requirements: 1 = state work requirement prior to 24 months
- Time Limits: 1 = state time limit shorter than 60 months
- Family Caps: 1 = state impose a family cap
- Sanction: weak (1), moderate (2), or strong (3)

II. Explanatory Factors

Moral Problem-Solving

- Dependency: per capita welfare caseload, 1996 (+)
- Reproduction: percentage of births to unmarried mothers (+)

Welfare Liberalism

- Ideology: State government ideological liberalism score, 1996 (-)
- Continuity: per capita welfare caseload, 1996 (-)

Policy Innovation

- Innovation: Year of state's earliest AFDC waiver request (-)

Electoral Politics

- Inter-party competition: margin of control in state legislature (-)
- Lower-class mobilization: proportion of the poor voting in 1996 (-)

Social Control

- Labor markets: official unemployment rate, 1996 (-)
- Formal control: change in incarceration rate, 1990-1996 (+)

Racial Politics

- African American percentage of the AFDC caseload, 1996 (+)
- Latino/a percentage of the AFDC caseload, 1996 (+)

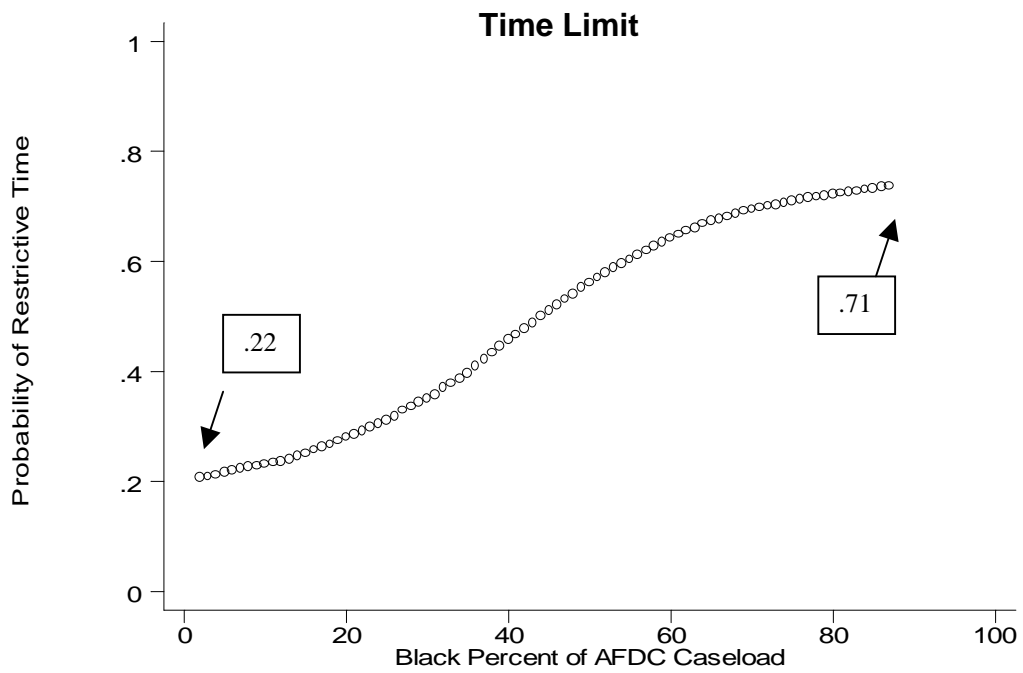
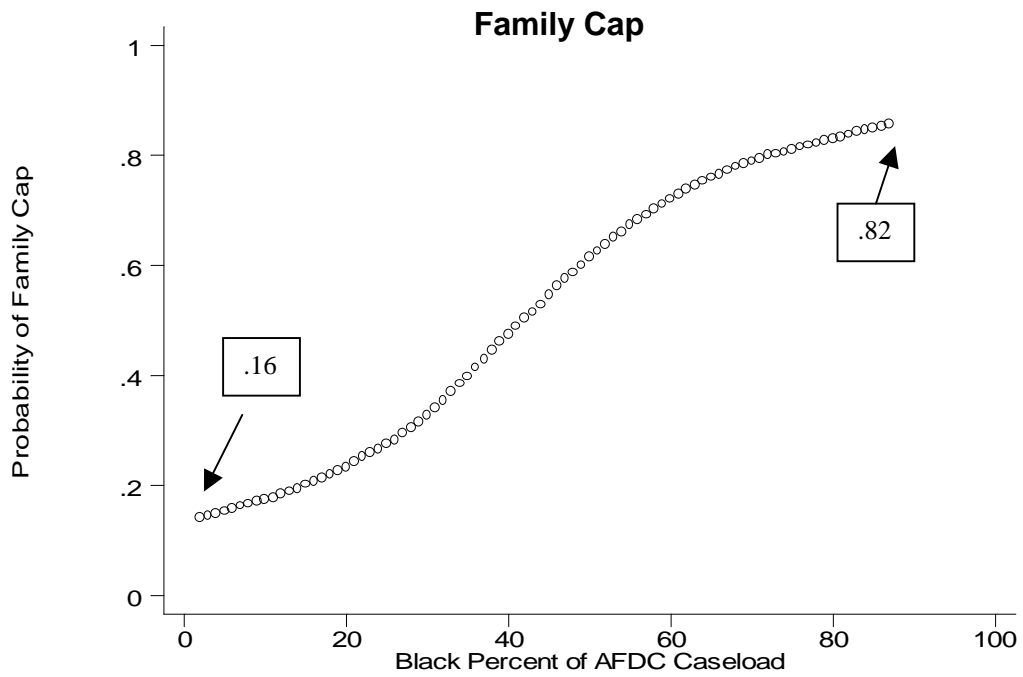
State Policy Choices under TANF⁹

Dependent Variable:	Strength of Sanctions		Stricter Work Requirements		Stricter Time Limits		Family Cap	
	Coeff.	S.E.	Coeff.	S.E.	Coeff.	S.E.	Coeff.	S.E.
Unmarried Birth Rate	.188*	.109	.040	.124	-.036	.108	-.090	.117
Caseload-to-Pop Ratio	-1.319***	.447	.087	.367	-.274	.372	.016	.402
Government Ideology	-.055***	.019	-.022	.017	-.008	.018	-.015	.018
Inter-party Competition	-5.441***	2.358	-.617	2.315	-1.237	2.229	-.314	2.401
Low-Income Voter Turnout	-10.094	9.750	-2.975	10.447	-11.571	9.865	-12.453	10.150
Unemployment Rate	.333	.452	-1.048*	.571	.061	.501	-.854	.655
Change in Incarceration Rate	.010	.017	.051*	.028	.039	.029	-.035	.021
Percent Latino	-.019	.029	-.006	.034	.071**	.034	.087**	.043
Percent African-American	.039**	.018	-.017	.022	.049***	.021	.072***	.025
Welfare Innovation	-.202***	.073	-.078	.067	.070	.068	.023	.071
Intercept 1	-26.026	9.069	11.848	9.003	-2.454	8.200	9.199	8.203
Intercept 2	-22.521	8.788	-	-	-	-	-	-
Overall Model	LR χ^2 (10df) = 39.75 p = .001 N = 49 PRE = .46		LR χ^2 (10df) = 21.10 p = .020 N = 49 PRE = .63		LR χ^2 (10df) = 19.23 p = .036 N = 49 PRE = .30		LR χ^2 (10df) = 20.13 p = .028 N = 49 PRE = .50	
Method of Analysis	Ordered Logit		Binary Logit		Binary Logit		Binary Logit	

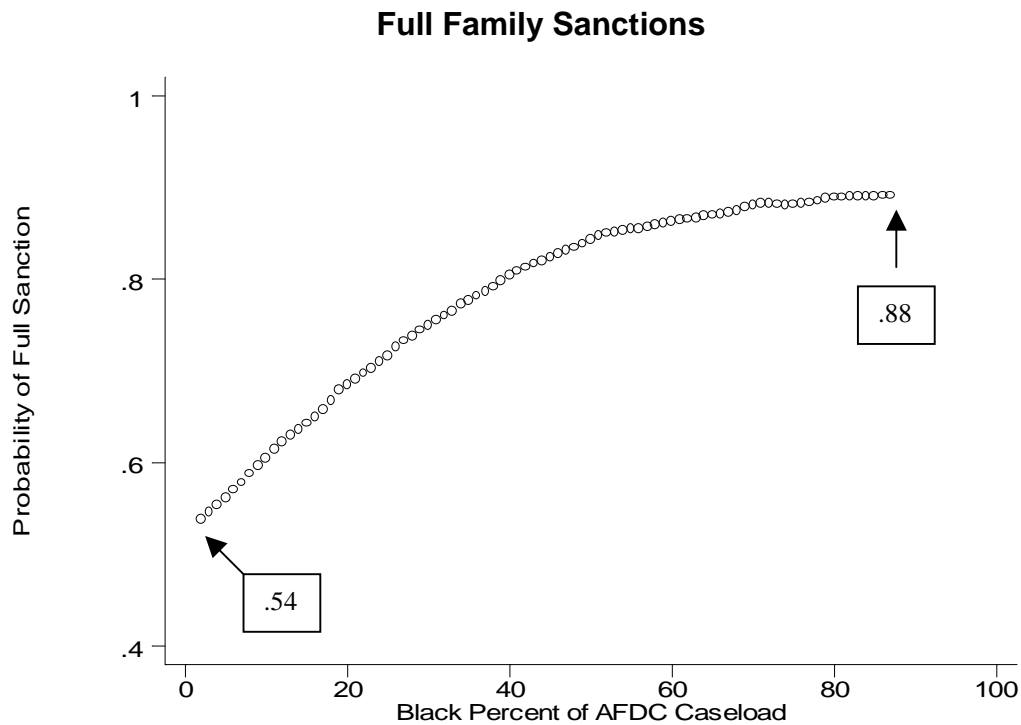
*p<.05, **p<.025, ***p<.01

Notes: The significance test for caseload-to-population ratio is two-tailed; significance tests for all other coefficients are one-tailed. PRE (proportional reduction in error) estimates are based on classification of concordant and discordant pairs. All analyses were performed in STATA 6.0.

Probability of a Hypothetical "Average" State Adopting Restrictive Policy by Change in the Black Percentage of the 1996 AFDC Caseload¹⁰



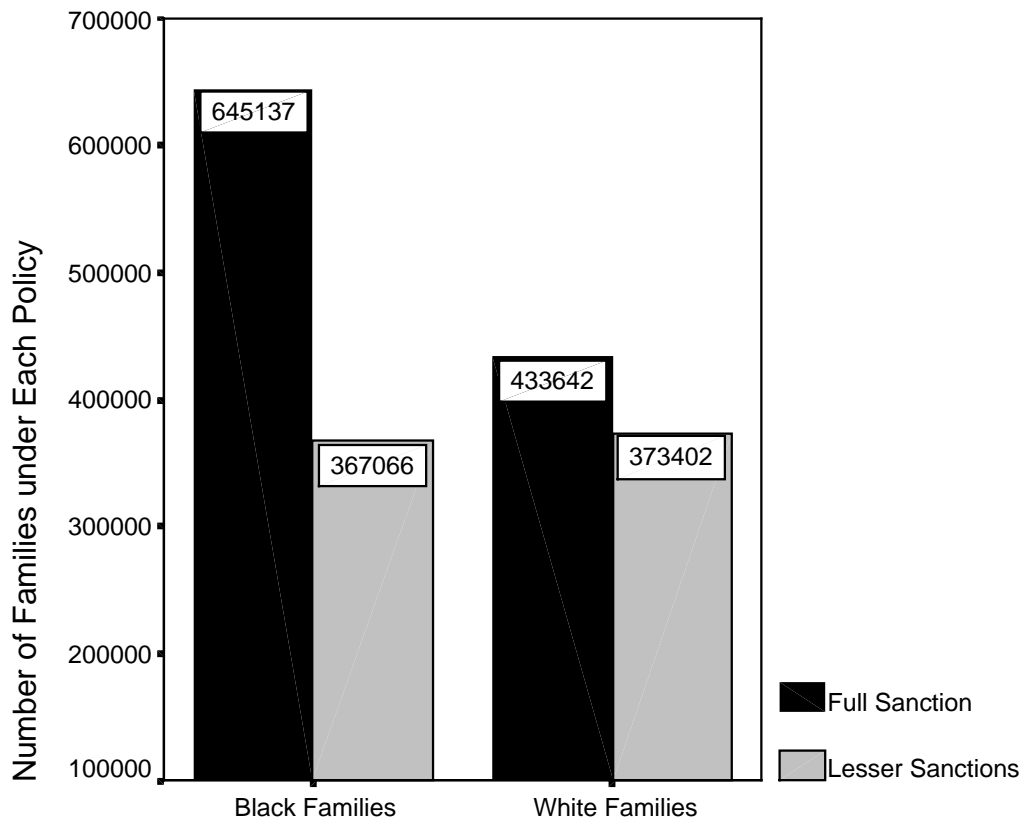
Probability of a Hypothetical “Average” State Adopting Full Family Sanctions by Change in the Black Percentage of the 1996 AFDC Caseload¹¹



Some facts about sanctions and welfare caseload decline

- Among policy factors, sanctions are the strongest predictor of state caseload decline between 1996 and 1999.¹²
- From 1997 through 1999, approximately 540,000 families lost their entire TANF check due to a full family sanction.¹³
- Families that have been sanctioned off the rolls tend to fare worse socially and economically than families that leave for other reasons.¹⁴

TANF Families Participating Under Full-Family Sanction Policies by Race¹⁵
 1999 Caseload Data from the Administration for Children and Families
 1999 Sanction Data from the State Policy Documentation Project



Racial Inequalities in Sanction Exposure and Targeting

- Participation under the threat of a full family sanction: **53.7** percent of white families vs. **63.7** percent of black families.
- If the percentage of black families were made equal to the percentage for white families (53.7 percent), the number of African-American families at risk for full-family sanctions in 1999 would have been reduced by about **102,000** families.
- **Racial patterns at the family level:** Among white families, the percentage **exiting** TANF due to increased income has been higher than the percentage exiting because of sanctions. For black families, this pattern is reversed.¹⁶
- **Racial patterns at the county level:** Missouri is a state where black and white families have been sanctioned at equal rates. Even here, sanction usage appears to depend on race in two ways: composition of the rolls and political control. Black families that live in counties with high black political representation show very low overall sanction rates. Outside these counties, a higher proportion of black recipients is strongly associated with a higher rate of sanctions.¹⁷

Some Facts on Race and Welfare Outcomes¹⁸

Caseload Composition

- Since 1996, the white share of the welfare caseload has declined; the Hispanic percentage has risen; and the black percentage has been fairly stable. The overall result is a welfare population that is increasingly non-white.
- Rates of welfare receipt have declined at roughly similar rates among these three groups. As a result, the growing minority share of the welfare caseload seems partly attributable to the increasing number of Hispanics in the low-income population.
- Caution: caseload levels reflect rates of exit *and* entry. For example, the lack of change in the black percentage might simply reflect stability over time. Alternatively, it might reflect a *combination* of (a) factors that push up the black percentage, such as employment discrimination and poor access to childcare and (b) factors that drive down the black percentage, such as being targeted more often for diversion in the welfare application process. We don't really know what's going on here.
- Out of the current TANF caseload, researchers estimate that approximately 41 percent will exhaust their eligibility under time limits. Approximately 2/3 of these families will be families of color.¹⁹

Leavers

- As noted earlier, wage earnings outpace sanctions as a reason for exit among white families; the reverse is true for African-American families. In addition, black families are more likely to report leaving TANF due to administrative problems or time limits.
- Field research in Virginia found that caseworkers were more likely to offer discretionary supports to white recipients than to black recipients.²⁰ National survey data corroborate this pattern. Whites are more likely than other recipients to report getting help with expenses after leaving welfare; African Americans are less likely.
- Relative to former recipients of color, former recipients who are white earn significantly higher wages during the first three months after exit. From 1997 to 1999, the median hourly wage for white leavers was \$7.31; for black leavers it was \$6.88, and for Hispanic leavers it was \$6.71 (in 1999 dollars).
- Relative to white leavers, black leavers have been more likely to return to the TANF rolls over time.
- Another note of caution: The focus on leavers provides a very partial view of how TANF policies are affecting people who otherwise might have been on the welfare rolls. We have no good information on how diverted and deterred families are faring – and this means we have no way to assess racial disparities for a large population affected by welfare retrenchment.

Beyond Leavers: Well Being in Low-Income Populations²¹

- Overall levels of poverty declined from 1996 to 2000, and this decline affected all racial and ethnic groups. The black poverty rate for 2000 was still more than three times the rate for whites. But at 26.3 percent, it was at the lowest level ever recorded for African Americans.
- Declining poverty rates, however, don't tell us much about the precise impact of welfare reform. (1) Many non-welfare factors contributed to poverty reduction. Much of the decline can be attributed to the EITC and to the strong economy that, more recently, has slipped into recession. (2) The families directly affected by TANF policies make up only a small portion of the low-income population.
- TANF policies have probably contributed some to increased work participation and income. But for the population most relevant to TANF (single women with children), increased earnings have not translated into greater disposable income because families have lost a lot of cash welfare income and food stamp income.
- Overall measures of well-being suggest that between 1997 and 1999, conditions improved most for white families. Like the population as a whole, low-income white families experienced gains in family income and less food hardship. Family income also rose among Hispanics. African Americans were the only group to show no statistically significant improvements in well-being during this period of strong economic performance.

The Current Economic Downturn

- It's hard to say much with confidence about the recession we've entered in the past 9 months. What we do know is...
 1. Unemployment has been rising. The increase in unemployment between November 2000 and November 2001 was the largest 12-month increase experienced in the U.S. since 1981-82.²²
 2. In many states, welfare caseload declines have stopped or reversed course. After years of steep declines in the rolls, 33 states reported increases between March and September of 2001. Since then, the economy has gotten worse rather than better.²³
- There are good reasons to worry that these developments will have relatively worse implications for minority families.
 1. Among low-income families, families of color tend to have lower income and asset levels.²⁴
 2. Black families are more likely to be close to their time limits on TANF assistance, and many Hispanic families have to confront the barriers to non-citizens created by the 1996 welfare legislation.²⁵
 3. Overall job vacancy rates (which decline in a recession) affect social groups differently. Employer demand goes down faster for minority workers and for welfare recipients. It goes down fastest for minority welfare recipients.²⁶
 4. Discrimination: Recent studies suggest that retail stores, suburban employers, and small businesses remain significantly less likely to hire welfare recipients who are black. A study of job interviews found that 55 percent of black recipients were interviewed for 5 minutes or less, whereas all white welfare recipients received interviews of 10 minutes or longer. Black applicants were also more likely than whites to be subjected to pre-employment tests.²⁷
 5. Higher levels of black and Hispanic vulnerability are also a result of significant racial disparities in formal education, English language skills, and some types of jobs skills. On top of this, there are racial disparities associated with residential segregation, transportation, childcare, and the debilitating economic effects of incarceration.²⁸
 6. Family Structure: Black and Hispanic families tend to have slightly more children; they are less likely to have two parents; and they are less likely to have an absent parent contributing child support. All of these factors make low-wage jobs less viable for minority women.²⁹

Endnotes

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- ¹ See Winifred Bell. 1965. *Aid to Families with Dependent Children*. New York: Columbia University Press.
- ² See Robert C. Lieberman. 1998. *Shifting the Color Line: Race and the American Welfare State*. Cambridge, Mass.: Harvard University Press; Winifred Bell. 1965. *Aid to Families with Dependent Children*. New York: Columbia University Press.
- ³ See Jill Quadagno. 1994. *The Color of Welfare: How Racism Undermined the War on Poverty*. New York: Oxford University Press.
- ⁴ See Gerald C. Wright. 1977. "Racism and Welfare Policy in America." *Social Science Quarterly* 57(3): 718-30; Christopher Howard. 1999. "Field Essay: American Welfare State or States?." *Political Research Quarterly* 52(2): 421-42.
- ⁵ All findings on this page are from Martin Gilens. 1999. *Why Americans Hate Welfare: Race, Media, and the Politics of Antipoverty Policy*. Chicago: University of Chicago Press. For similar findings carried into the late 1990s, see Rosalee Clawson and Rakuya Trice. 2000. "Poverty as We Know It: Media Portrayals of the Poor." *Public Opinion Quarterly* 64: 53-64.
- ⁶ All findings on this page are from Martin Gilens. 1999. *Why Americans Hate Welfare: Race, Media, and the Politics of Antipoverty Policy*. Chicago: University of Chicago Press.
- ⁷ Figures are based on analyses reported in Joe Soss, Sanford F. Schram, Thomas Vartanian, and Erin O'Brien. "The Hard Line and the Color Line: Race, Welfare, and the Roots of Get-Tough Reform" In S. Schram, J. Soss, and R.C. Fording, eds. *Race, Welfare, and the Politics of Reform*. Ann Arbor, MI: University of Michigan Press, forthcoming.
- ⁸ Description of analyses reported in Joe Soss, Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45(2):378-403.
- ⁹ Table 2 from Joe Soss, Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45(2):378-403.
- ¹⁰ Figures are based on estimates reported in Table 2 of Joe Soss, Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45(2):378-403.
- ¹¹ Figure is based on estimates reported in Table 2 of Joe Soss, Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45(2):378-403.
- ¹² See Robert R. Rector and Youssef, Sarah E. 1999. "The Determinants of Welfare Caseload Decline" The Heritage Center for Data Analysis.
- ¹³ See Heidi Goldberg, and Liz Schott. 2000. *A Compliance-oriented Approach to Sanctions in State and County TANF Programs*. Washington, DC: Center on Budget and Policy Priorities.
- ¹⁴ See Heidi Goldberg, and Liz Schott. 2000. *A Compliance-oriented Approach to Sanctions in State and County TANF Programs*. Washington, DC: Center on Budget and Policy Priorities.
- ¹⁵ Unless otherwise noted, analyses were conducted by Joe Soss based on 1999 Caseload Data from the Administration for Children and Families and 1999 Sanction Data from the State Policy Documentation Project.
- ¹⁶ Based on available state-level studies, see Elizabeth Lower-Basch. 2000. "Leavers" and Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes. Washington DC: U.S. Department of Health and Human Services. <http://www.aspe.hhs.gov/hsp/leavers99/race.htm>.
- ¹⁷ Based on analyses that have not been submitted for publication yet, made available by the author, Lael Keiser.
- ¹⁸ Unless otherwise noted, findings reported on this page are drawn from Kenneth Finegold and Sarah Staveteig. "Race, Ethnicity, and Welfare Reform" In A. Weil and K. Finegold, eds. *Welfare Reform: The Next Act* (Urban Institute Press, 2002)
- ¹⁹ See Greg J. Duncan, Kathleen Mullan Harris, and Johanne Boisjoly. 2000. "Time Limits and Welfare Reform: New Estimates of the Number and Characteristics of Affected Families." *Social Service Review* 74(1): 55-75.
- ²⁰ Susan T. Gooden. 1998. "All Things Not Being Equal: Differences in Caseworker Support Toward Black and White Welfare Clients." *Harvard Journal of African American Public Policy* 4:23-33.
- ²¹ Unless otherwise noted, findings reported on this page are drawn from Kenneth Finegold and Sarah Staveteig. "Race, Ethnicity, and Welfare Reform" In A. Weil and K. Finegold, eds. *Welfare Reform: The Next Act* (Urban Institute Press, 2002)

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- ²² “Increase in Number of Unemployed over Past 12 Months was largest in Nearly 20 Years.” News Release, Center on Budget and Policy Priorities, December 7, 2001. <http://www.cbpp.org/12-7-01ui-pr.pdf>
- ²³ Mark Greenberg, Elise Richer, and Vani Sankarapandian. “Welfare Caseloads are Up in Most States.” Center for Law and Social Policy. <http://www.clasp.org/pubs/TANF/FY01%20Caseload%20discussion.htm>
- ²⁴ See Dalton Conley. 1999. *Being Black, Living in the Red*. Berkely, CA: University of California Press.
- ²⁵ Kenneth Finegold and Sarah Staveteig. “Race, Ethnicity, and Welfare Reform” In A. Weil and K. Finegold, eds. *Welfare Reform: The Next Act* (Urban Institute Press, 2002)
- ²⁶ Harry J. Holzer and Michael A. Stoll. 2001. *Employer Demand for Welfare Recipients by Race*. Assessing the New Federalism Discussion Paper. (Forthcoming in *Journal of Labor Economics*).
- ²⁷ See Susan T. Gooden. 1999. “The Hidden Third Party: Welfare Recipients’ Experiences with Employers.” *Journal of Public Management & Social Policy* 5(1): 69-83; Susan T. Gooden. 2000. “Race and Welfare: Examining Employment Outcomes of White and Black Welfare Recipients.” *Journal of Poverty* 4(3): 21-41
- ²⁸ See Harry J. Holzer. 2000. *Career Advancement Prospects and Strategies for Low-Wage Minority Workers*. Urban Institute, Washington, D.C. <http://www.urban.org/workingpoor/careers.html> ; Harry J. Holzer, Michael A. Stoll, and Douglas Wissoker. 2001. *Job Performance and Retention Among Welfare Recipients*. Joint Center for Poverty Research, Chicago, Ill. Working Paper 231. <http://www.jcpr.org/wp/WPprofile.cfm?ID=257>
- ²⁹ Kenneth Finegold and Sarah Staveteig. “Race, Ethnicity, and Welfare Reform” In A. Weil and K. Finegold, eds. *Welfare Reform: The Next Act* (Urban Institute Press, 2002)