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Poverty and Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) signed into law on August 22, 1996 made fundamental changes to the provision of public assistance for low-income children and families. PRWORA replaced Aid to Dependent Families with Dependent Children (AFDC) with a block grant called Temporary Assistance to Needy Families (TANF) and transferred program creation to the states. Major provisions of TANF include ending the entitlement to federal cash assistance, recipients can only receive assistance for five years in their life-time, requiring work as a condition of receiving assistance, cutting benefits for individuals who fail to comply with their program requirements (called sanctions) and banning most immigrants for the first five years they are in the United States from TANF, if they have entered the U.S. after August 22, 1996.

In the late 1990's, the strong economic situation provided numerous employment opportunities for low-income workers, including welfare recipients. Today, the employment situation in the United States has dramatically changed. The weakening economy is leaving many workers unemployed and underemployed. Many low-income families, including families receiving TANF, are struggling with part-time employment, underemployment and unemployment; poverty is increasing in the United States.

Much discussion surrounding welfare reform has focused on caseload reduction and the use of public assistance by low-income women. Less focus has been given to the need for assistance due to poverty and economic inequality in the United States. Though welfare caseloads have dropped dramatically since 1996, poverty in the United States has not decreased at the same extent. Furthermore, as a result of the 2007 recession welfare caseloads have been rising across the country.

To date, the struggling economy and high number of children and families living in poverty means fewer job opportunities and an increased need for services and programs, including education, training and child care. These programs are critical for assisting low-income families in moving toward self-sufficiency and out of poverty.

VIEW POINTS

The two main arguments surrounding welfare reform and poverty focus on personal responsibility and the role of government and government funding in helping individuals and families. Advocates on one side of the welfare reform debate argue that personal choices result in individuals and families living in poverty. These advocates maintain that poverty in the United States would decrease significantly if young adults would stay in school, get married and not have children before they are married. Opponents also argue that these personal choices would result in not only a decrease in poverty but also the need for government assistance.

Advocates on the other side of the welfare reform and poverty debate argue that it is unrealistic to believe that poverty and the need for government assistance is the result of individual choices. These advocates explain that structural factors in society play a large part in the creation of poverty and the need for assistance. These advocates point out that individuals and families may find themselves in poverty as a result of job loss due to a weakening economy, lack of well paying jobs, and outsourcing of jobs or as a result of situational factors including illness or escaping family violence. They note that welfare reform should focus on reducing poverty and its causes and that government should help individuals and families move out of and/or stay out of poverty.

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These individuals believe that government investments in child care, early education programs, and job training and education programs for workers can help families escape poverty and become more economically self-sufficient.

YWCA POSITION

The YWCA supports an anti-poverty approach to welfare reform that increases education and training opportunities, opposes marriage promotion/incentives, opposes religious discrimination in hiring, restores benefits to legal immigrants, addresses barriers to self-sufficiency such as domestic violence and substance abuse, and provides affordable and accessible child care.