

Massachusetts Council of Churches  
POLICY STATEMENT ON  
WELFARE REFORM  
Adopted by the MCC Board of Directors  
Winter 1995

***Introduction***

A major agreement seems to be emerging from the current welfare reform debate: welfare must be revamped. That, however, is where most of the agreement ends. Proposed alternatives vary from a radical dismantling of the system as an obsolete drain on the economy, to a systematic redirection of the economy in order to render welfare unnecessary. In the middle are those who propose to strengthen those programs which empower the poor as the most humane and economic solution with political viability.

What is this debate all about? What is "welfare?"

The term "welfare" is applied loosely to "Aid to Families with Dependent Children" (AFDC). Other "welfare" programs also exist, however, such as "Supplemental Food for Women, Infants and Children" (WIC), "Food Stamps," Medicaid, Subsidized Housing, and Supplemental Security Income (SSI). All these programs are referred to as "public assistance to the poor." The wealthy also receive public assistance in the form of farm subsidies, government bail outs of banks (such as in the S&L crisis), etc. So, the present debate is not so much about welfare as about who gets it. It is about eligibility for AFDC, WIC, Food Stamps and Subsidized Housing. Changes in these also would affect Medicaid.

Welfare reform is a very complex issue. It relates to health care reform, the minimum wage, the cost of child care, levels of unemployment, economic development, etc.

***Christian Faith and Economic Ethics***

Churches engaged in the ecumenical movement, which seeks Christian unity for the sake of the world, are committed to work together for social justice. The theological foundation for this commitment is the conviction that the human family is one, created in the image and likeness of a loving and just God. From this point of view, welfare and its reform need to be seen in the context of economic justice.

The scriptures of the Judeo-Christian tradition have a great deal to say about economic matters. The Hebrew scriptures reflect both laws intended to guarantee just economic relations (such as regular redistribution of the means of production; the economic well being of orphans, widows and foreigners; the prohibition of usury) and prophetic calls to repentance when the nation neglected such laws. Crucial to this Biblical orientation is the responsibility of the whole community to empower its weaker members. Economic justice, in this tradition, is the will of God. At the heart of this tradition are the notions of community and individual dignity. Because each human being bears the image and likeness of God, no one should be left without the basic needs of life, and this can happen only in community. The economy (oikos, household + nomos, law) is possible only with koinonia (community). The goal of the economy, according to this Christian position, is to

build communities where people can flourish and develop their full potential in the image and likeness of God. The goal of the economy is the fulfillment of human needs.

### ***Economic Justice and Welfare***

It follows that the goal of the economy is well-being for all its members, not welfare for any particular class, rich or poor. The competitive for-profit market economy, however, views well-being from the perspective of those who are most fortunate, not from the perspective of the well-being of all. A clear example of this is the policy of the Federal Reserve Board to increase interest rates whenever the unemployment rate falls below 5 or 6 per cent in order to control wages and avoid inflation. With such a pool of unemployment, it often becomes impossible for welfare recipients who are able and willing to work to find employment. Intentional unemployment and welfare reform are contradictory.

At the same time, economic growth has resulted in greater demands on national productivity and declining real wages. The same life style supported by one wage earner in the 1950's now takes two full time workers in a family. Middle class women represented a small fraction of the labor force when welfare was first established. Women now represent more than 50% of the labor market. These and other factors (such as the internationalization of the economy) together foster a climate of anxiety and frustration in middle income families.

The economic frustration of working poor and middle income families is well grounded but wrongly directed. The latest analysis available indicates that the Federal government's share of total AFDC costs have been less than 1% of the federal expenditures. Welfare reform must be built on economic policies that foster solidarity between middle income families and the poor.

### ***Family Values***

Since persons develop in families, the ecology of the family is basic to sound welfare policy. Family and personal systems in the economic order require a well-coordinated strategy of dealing with health, housing, education, work and inter-generational (parent - child) problems.

Educational psychologists advise that one's character is formed by the age 6 or 7. When upper class women choose to stay home to take care of their children during those critical years they are praised often as self-giving mothers willing to sacrifice their careers for the well-being of their children. When poor women want to do the same, they are labeled irresponsible.

Even middle class families today face the wrenching choice between keeping two full time jobs in order to pay their mortgage and/or saving money for their children's college, while paying day care for pre-schoolers or dropping one of their jobs in order to care for their children at home, knowing then that they cannot save for college. People should not have to choose between taking care of children when they are very young or sending them to college.

The federal tax code which allows a tax credit for child care only for two children per

family hurts both low and middle income families with more than two children. (This provision applies even if the children are adopted, or former welfare recipients in foster care.)

Good educational opportunities for all, health care for all, fair housing for all, and adequate care for all children, are necessary elements of a society that consistently values work and family.

### ***Justice and Compassion***

The ecumenical tradition points to justice and compassion as basic principles of a good society. Justice and compassion involve providing equal access to the means of production and giving protections to those who are unable to be economically productive. All able persons in the economy have a need to participate constructively in the economy according to their capacities. Those unable to be economically productive have the God given right to provisions of their basic needs, such as food, shelter, clothing, health care and education.

The goal of welfare programs should be to remove people from poverty who are capable of interdependence and to meet more fully the basic needs of those who must continue to rely on public assistance. The key concern should be the needs of poor people, not reducing taxes or government. Direct dependency upon others to secure the basic resources for well-being is not a just solution for those who are capable of supporting themselves and their dependents. Welfare should provide the weakened members of the community with the resources to become productive participants. In our society, this usually means being employed and receiving remuneration that furnishes material resources for oneself and one's dependents. Interdependence, rather than dependence, should be the goal.

Not all members of the community are able to become interdependent, nor will all be able to obtain interdependence at the same rate. Thus, good welfare policy should not have an automatic cutoff period for basic economic assistance. Programs must be flexible so as to respond efficiently to various employment abilities and family needs. Some form of public assistance always will be necessary.

### ***Role and Responsibility of Government***

The community as a whole has a responsibility to develop a strategy for all persons to meet their basic needs and to participate constructively. Government at all levels has the responsibility to write rules of just participation, distribution, and well-being, respecting the well-being of families, individuals, and inter-generational obligations.

As local, state and federal agencies develop programs to assist those in need, it is essential that the federal government set standards, based on cost of living and other relevant data, below which states and local agencies are not allowed to fall. There needs to be a balance of power and responsibilities between the federal and state governments. This is the minimal guarantee of equity for people located at different places in the country.

To abdicate the responsibility to set standards and enforce them is to abdicate the responsibility to govern.

### Concretely, Congress is Considering

- > TIME CAP: limit AFDC to a life-time maximum of 60 months, allowing states to limit time to two years. Recipients never again could receive welfare assistance, even if they met all work requirements and no jobs were available. No exemptions would be made even for temporary disability or the need to take care of a disabled child;
- > FAMILY CAP: Deny benefits to children born after the mother is receiving welfare;
- > deny cash and housing benefits to children born of unmarried mothers under 18 (giving states the option to deny benefits to mothers under 21). Orphanages have been suggested as an alternative;
- > deny benefits to children whose paternity is not established;
- > WORKFARE: Require states to create their own job training, community services, and education programs for most recipients (exceptions for those temporarily disabled or caring for a disabled child). Both workfare and benefits would be limited to two years;
- > deny any government benefits or services to legal immigrants (even though they pay taxes like all U.S. citizens);
- > end the entitlement status for food stamps and child nutrition programs and cap their funding as a block grant to the states -- offered on a "first come, first served" policy regardless of the number of people in need.

### ***Welfare Reform Myths, Contradictions, and Responses***

Underlying this debate are some flawed assumptions which need to be countered:

- > the economic problems of the working poor and middle class are caused by the cost of welfare;
- > the solutions to a troubled welfare system are simple;
- > the problem is with welfare fraud;
- > the poor are lazy; they need to value work;
- > the problem is the increase in single parent families;
- > orphanages are better than welfare;
- > welfare reform will save money;
- > getting people off welfare will get them out of poverty;
- > we can penalize lazy parents without hurting their children;
- > government cannot do anything right;
- > privatization is the solution.

Proponents of welfare cuts play on the anxieties of the middle classes, and foster an over-against mentality toward the poor. For example, they promise to reduce taxes by cutting welfare costs and caseloads and "making people work." The economic problems of the middle class, however, are created by much more complex issues, involving economic policy, tax policy, the weakening of organized labor and the globalization of the economy.

There are no simple solutions to complex problems. Cutting welfare benefits to fix the economy is very simplistic. Expecting people to work at a living wage, when the unemployment rate in some parts of the country is over 7%, is irresponsible. Public policy should be guided by a coherent balance of values and not by single issues, such as economic growth. When one value reigns supreme, everything else is reduced to a

function of that privileged value. In Biblical terms this is called idolatry.

To suggest that fraud is a major factor in the cost of welfare is itself a fraud. "Anti-fraud" measures (such as finger-printing and Id cards) perpetuate the myth of the immorality of the poor. This is not to suggest that there is no welfare fraud. The present system, which is seriously understaffed, invites fraud. To raise the issue of immorality in this debate is to invite a discussion of the ethics of greed which fosters fraud not only at the bottom of the economic spectrum by some welfare recipients but at all levels of society. The S&L scandal cost taxpayers billions of dollars -- more than welfare fraud ever did. Immorality is not a privilege of any social class.

To talk about "the value of work" suggests that the poor are to blame for their fate. If, however, the economy is not creating enough jobs some people will be unemployed against their choice. Consistency in proclaiming the value of work requires policies that actually make work available to those who need jobs; policies that recognize the previously unrecognized economic contribution to society of work such as child rearing; and policies that do not penalize, by cuts in paychecks and/or loss of medical or other benefits, welfare recipients for making their way back into the job market.

Single parent families have grown across class lines in the United States. More than 65% of single parent families are not in poverty. Welfare cuts will not help families stay together. Even proponents of cuts acknowledge this when they talk about orphanages as an alternative to welfare.

Orphanages have two fundamental problems: (a) they are not more economical than the so-called "means tested" programs of public assistance (AFDC, Food Stamps, Subsidized Housing, etc.). The price tag of orphanages could be astronomical -- some have suggested as much as \$70 billion a year after the system is in place -- compared to \$14 billion in Federal AFDC in 1993; and (b) as an alternative to welfare, orphanages represent the worst type of government intrusion into the private lives of people, breaking up families and imposing on children the stigma and trauma of growing up without the presence of even one of their parents.

Some pundits say that only one solution can save the taxpayer small amounts of money in the welfare budget: impose time limits via a mandatory workfare program, cap the number of years a family can be on welfare, and cap the maximum amount a family can receive.

The human effects of these proposals will be catastrophic, causing families to "double up" in order to survive and forcing some women and children who suffer abuse to return to their abusive "home." These results, indeed, are "economic violence against women" and children.

Critics on the right, the left and the middle seem to agree that welfare is not helping people out of poverty. Proponents of welfare cuts argue that cuts will pull people out of the cycle of dependency. This would be true if economic structures were empowering lower income families. That, however, is not the case. In fact, just the opposite is true. Welfare recipients are not allowed to accumulate more than one thousand dollars in assets, while middle and upper class families receive tax breaks for college and retirement savings. Without adequate economic policies that empower the poor, it is illogical to expect them to do better without public assistance.

"Reforms" that punish irresponsible parents without hurting their children defy logic

and reason. Even foster care does not make sense, for economic reasons alone. Foster care also is costly, and separation of children from their parents for any reason other than physical and/or emotional abuse or neglect becomes abuse by the state.

Very few people believe that "government can not do anything right." Some are very skeptical about how much and what government can do well. Most people, however, think that government can and ought to do some things. What those things are have been debated for centuries. The whole fabric of our society is shaped by what government at every level does and leaves undone.

Proponents of welfare cuts also propose reducing and privatizing government functions as much as possible. The new Congressional leadership has suggested that churches should do more for the poor. Assertions such as this betray a tremendous ignorance of how much churches and other private charities are doing already to rescue people in need. This is an attempt to exempt government from the responsibility to guarantee the well being of the poor with cynical appeals to charity. Charity is a virtue taught and practiced by the Christian churches.

But the churches also believe that government is responsible for justice. The well being of the poor is a question of social justice. Charity alone cannot substitute for justice. Charity is voluntary, justice is mandatory. Even if churches accepted the role and responsibility of taking care of those without a safety net, the resources available through charity are not sufficient to fill the gap left by the reductions under consideration in Washington. Also, charity cannot impact on the structural mechanisms that cause or prevent poverty. Government can. To appeal to charity in lieu of justice is both uncharitable and unjust.

The welfare debate is political. The war on poverty has been replaced by a war against the poor -- an irrational attack disproportionate to economic realities. The projected savings by various measures are distortions and fantasies.

### ***Guidelines for Action***

#### **A. Changes in economic policy.**

A just economic system should be capable of sustaining full employment, with family sustaining salaries and benefits, including adequate educational opportunities for all, affordable health care, child care and housing. To achieve this, policies are needed to empower those less able or unable to compete in the present economy. Policies of empowerment need to be consistent with long term goals. The economic empowerment of the poor, including welfare recipients, requires changes in the political economy that go beyond welfare reform. Such changes include: (a) a higher minimum wage (to get a living wage out of going to work), (b) policies to lower unemployment (to make work available), (c) better public assistance for the working poor (such as raising the earned income tax credit), and (d) expanding some public assistance benefits to the working poor (like affordable day care and food stamps) and even the middle classes (such as a tax credit for child care to cover all children).

B. Real welfare reform.

Besides these changes in economic policy, real welfare reform needs to address other very concrete needs of people in poverty.

First in this list is job training/education. These programs should be voluntary, and

should be based on the premise that a family will be better off financially by working.

Ideal job training develops skills for jobs that provide a living wage, healthy work ethic, and enhanced sense of self-worth. It must be supplemented by work search assistance. Successful programs have had flexible features, such as counseling about time and financial management. Training should be related to the jobs for which businesses are seeking employees at a living wage.

If people are able, long-term educational efforts should be supported as an alternative form of job-training. Job training should be not only for the worst-off, but also should be a part of a society's commitment to lifelong education and training.

Assistance with basic needs, such as for food, clothing, and shelter should not be terminated abruptly with the start of employment, but should be reduced gradually as interdependence increases. Universal health insurance would be a vital contribution to this end; lacking this, public health insurance should be removed only gradually as income increases.

Transportation assistance and child care also must be provided during the transition. The need for child care goes beyond that of parents who are at the economic edge. A comprehensive program of sliding-fee child care available to all families who need it would be the best guarantee of such help for those coming off of welfare.

Such an effort will be far more costly than the current system -- because it entails providing the same benefits for the working poor as for welfare recipients -- more food stamps, and health insurance covering those currently uncovered who are not eligible for Medicaid. It means more affordable housing (including increases in rent subsidies) as well as increased expenditures in education/training and job creation. The cost of not doing this, however, will be even greater, in the long run.

## **Conclusions**

In the present economy, responsible public policy calls for reform that:

- > protects the equal rights of all children to their basic needs;
- > protects the equal rights of all women against economic dependency on abusive relationships;
- > protects the equal rights of the poor to access to work (not make-work jobs or replacing one low wage earner with a welfare trainee, etc.);

Concretely, this means that the Massachusetts Council of Churches supports:

- > policies that create jobs, even if the state needs to become an employer of last resort -- paying adequate wages;
- > a guaranteed floor of resources to cover people in need;
- > voluntary job training for jobs with a future in the present market;
- > health care coverage for welfare recipients and their dependents and the working poor through a reasonable transition time;
- > affordable child care (on a sliding scale covering parents in job training, in transition to work, and working families);
- > "fill the gap" provisions, i.e., make work pay for welfare recipients trying to move into the work market by allowing them to keep a higher portion of their income;

The MCC opposes:

- > workfare (as universal make-work which does not empower the poor for economic inter-dependence);
- > family caps (as a violation of the equal rights of all children to basic needs);
- > time caps (as arbitrary and unrealistic in particular cases);
- > block grants to the states (as an unreasonable cap on funds available to states regardless of the number of people in need).

Above all, key to responsible welfare reform are policies that empower recipients to move out of poverty, respect human dignity, preserve family values, protect children and youth, and acknowledge the reality of changes in the labor market.

=====

MASSACHUSETTS COUNCIL OF CHURCHES  
14 Beacon St, Room 416  
Boston, MA 02108-3760  
telephone and fax (617) 523-2771