

Report of the U.S. Programs Economic Equity Working Group

May 5, 2012

Working Group Co-Chairs: Deepak Bhargava, Geoffrey Canada, Bill Vandenberg

OSF Board and Staff members: Sherrilyn Ifill, Andy Stern, Shawn Dove, Raquiba LaBrie, Diana Morris, with additional participation from Maria Archuleta, Mimi Corcoran, Solomon Greene, Patricia Jerido, Nashay Jones, Heddy Nam, Nora Ranney, Laura Silber, and Luna Yasui

Outside experts: Algernon Austin, Economic Policy Institute; Barbara Ehrenreich, Economic Hardship Reporting Project; Bob Greenstein, Center on Budget and Policy Priorities; Jon Hiatt, AFL-CIO; Rob Johnson, Institute for New Economic Thinking; Emma Coleman Jordan, Georgetown University; Dorian Warren, Columbia University

Questions to be addressed at the U.S. Programs May Board Meeting

- 1) USP has made sizable economic equity investments over the years – in anti-poverty, fiscal policy, housing, low-wage work, removal of reentry barriers to employment, and workforce development issues, among others – but doesn't typically identify economic issues as a top priority. With the changing global economy, serious economic distress on the rise in the U.S., and interest within the global network (the Open Society Initiative for Southern Africa's economic justice program, for example), ***what are the Board's current thoughts re: the importance of economic equity as it relates to open society in the U.S. and what could a strategic balance of research and advocacy look like moving forward?***
- 2) Our analysis shows that the "future of work" is not receiving sufficient attention from the funding, academic, or advocacy communities. It is a broad subject. In order to construct a program that can deliver measurable achievements, we'll need to strategically focus. ***What aspects of the "future of work" are most compelling to the Board and warrant further research over the next few months?***

The Great Recession has created enormous economic distress and insecurity in the United States, and greater suffering for the lowest-income Americans than the nation has witnessed at any time over the past 20 years. This distress occurs at a time when economic inequality is nearly as acute as it was prior to the Great Depression, and when there are dramatic shifts underway in the global economy. For the U.S., these shifts are of a magnitude that Joseph Stiglitz, the Nobel Prize winning economist, likens to 1900-1930, as the nation moved from an agrarian to a manufacturing economy, a profound change that catalyzed the Great Depression. Today's shifts will likely result in long-term rates of unemployment that are well above what were once considered to be acceptable.

Serious budget deficits exist at all levels of government and this, together with an unwillingness of politicians to raise taxes on those able to afford them, is forcing severe cuts to the safety net and public education in cities and states across the nation. With all of these conditions converging, open society advocates may be witnessing the closing of economic opportunity and mobility for a generation, especially for those within the most marginalized communities. This can threaten the foundations of an open society in the U.S.

In this context, the Economic Equity Working Group has led an intellectually robust, practical exploration of whether, and how, OSF should sharpen its focus on advancing economic equity. U.S. Programs has long made important, and sizable, contributions to improve economic equity. What is evident to Board and staff is that these investments have lacked a cohesive strategy that is unified across USP. Consequently, we've missed opportunities to maximize the impact of our investments and win more significant victories for economic equity.

Economic Equity Working Group Recommendations

The current economic situation in the U.S. is characterized by increased poverty, unemployment, and inequality, dim prospects for robust employment or earnings growth, and eroding safety nets for the most vulnerable. This is of concern not only because of the harm such conditions inflict on families and communities, but because of the implications of such economic conditions for an open society. In Europe, we are seeing the impact of austerity policies and high unemployment rates on the social fabric, and the rise of fringe right-wing parties is clearly related to the economic catastrophe these societies are undergoing. In the U.S., a front page story in *The New York Times* (April 8, 2012; attached) showed the impact of welfare reform and the recession on the most vulnerable: a world without income and without work, in which desperation is the rule. Without alternatives to austerity that are vigorously advanced, social unrest on a scale not seen for generations seems possible.

There are profound short- to medium-term questions on the table, namely a post-election debate about taxation, domestic and defense spending, entitlements, and safety net benefits. Rep. Paul Ryan and others have advanced radical proposals that would make fundamental changes in the U.S. social contract, reduce the share of taxes paid by corporations and the wealthy, and increase inequality and poverty. This debate, which will unfold over the next three to five years, is likely to be one of the most consequential social policy debates for a generation or more.

At the same time, we must confront long-term questions that are equally challenging with respect to the future of work in America. What is the path to full or at least fuller, employment and how

do we address wage depression, poverty, and rising inequality? A multi-faceted approach to address these questions is desperately needed. While there are others with which OSF could partner, including foundations, government, unions, and business interests, we believe that there is no effort commensurate to the scale of the short, mid, and long-term economic challenges that the U.S. faces. OSF brings a distinctive perspective to the table, including a focus on the most marginalized populations.

Based on discussions to date, the Economic Equity Working Group discussed its interest in working with the Board to explore the development of a targeted, time specific project along the lines of the Project on Death in America, USP's well-regarded past effort on palliative care. A "Project on Work in America" could employ similar strategies, via a targeted, multi-year effort, to fill gaps within the philanthropic and advocacy communities. While this warrants more research than our two-month process could complete, a Project on Work in America could blend "thinking" and "doing" to:

- Engage high level faculty scholars and other leading thinkers to promote idea generation on future employment trends, emerging workforces, labor standards (including wages, benefits, and workplace protections), new structures for expanding democracy at work, and education and training.
- Explore four research and advocacy dimensions of the jobs and economy crisis for the most marginalized: 1) the changing global and domestic economies and how this has shifted what jobs will be available and what is needed to attain them; 2) the long-term, very high unemployment rates for people of color and the need for solutions to confront structural inequality in employment; 3) the declining rates of return for many who are working, including low wages, eroded benefits, insufficient work, and inadequate labor protections; and 4) the need for new income supplementation strategies for low-income workers, such as expanding the Earned Income Tax Credit to non-parents.
- Catalyze hard hitting federal, state, and local level advocacy to increase revenue, support stronger labor standards, create jobs and train workers, and strengthen safety nets.
- Support a medium-term campaign to shape the coming debate about taxes, deficits, entitlements, defense spending, and safety nets that will likely play out over the next three to five years, beginning immediately after the 2012 election.
- Develop innovative local demonstration projects to expand work opportunities for the most marginalized and identify programs that could be taken to scale. This will perhaps best be accomplished in coordination with the USP city/state process.

I. Process and Discussion Topics

Since March, the 15 member working group has held five meetings, each for two hours, with additional research and readings between meetings. The working group compiled an inventory of U.S. Programs' significant current investments to advance economic equity and surveyed the related priorities of leading national funders, including the Annie E. Casey, Ford, Rockefeller, and Surdna foundations. On May 16, the working group will hold a conversation on the "future of work" featuring William Julius Wilson, the renowned author and scholar on race, poverty, and employment. Wilson also directs Harvard University's Joblessness and Urban Poverty Research Program.

The broad context for the working group’s deliberations was framed by the understanding that conditions are worsening for the lowest-income Americans, still disproportionately concentrated among people of African, Latino, or Native American descent, immigrants of limited education or without documentation, women, young people, and the formerly incarcerated. Indicators include:

- Nearly 13 million Americans are unemployed, yet funding for training for “dislocated” workers is 18% lower in today’s dollars than in 2006¹
- A record number of Americans – 46.2 million – are living in poverty (U.S. Census)
- “Deep poverty,” a term for those living on less than 50% of what it takes to escape poverty (or \$9,000/ year for a family of three), is at its highest levels in 18 years (U.S. Census)
- One in four low-income single mothers is jobless and surviving without the levels of cash assistance that welfare used to provide (Urban Institute)
- Among developed countries, the U.S. has the highest share of workers – 24.8% - in low-wage jobs, at \$10/ hour or \$20,000/ year (Center for Economic and Policy Research)
- Black unemployment – even in “good times” – is roughly twice that of whites, and Latinos are unemployed at roughly 1.5 times the white rate. Black unemployment is 14.1%, with black youth (16-19 years old) unemployment at 40.5% (Bureau of Labor Statistics)
- The state fiscal crisis has forced 30 states to spend less per pupil on K-12 public education in 2012 than in 2007-8, and state budget cuts have forced 25% tuition increases at four-year public colleges over the last three years (Center on Budget and Policy Priorities)
- Driven largely by the housing and foreclosure crisis, the median wealth of white households is now 20 times that for blacks, and 18 times that for Latinos – twice what it has been since the late 1980s (Pew Research Center)
- Income inequality is higher than at any time since the Great Depression, while the corporate tax rate is at a 40 year low (Congressional Budget Office) and the GDP share of corporate profits is at a 60 year high (U.S. Commerce Department)
- Wage theft abuses of low-wage workers are rampant, with a 2008 study estimating that, in New York City alone, \$1.5 billion is taken annually from the pockets of 500,000 workers (National Employment Law Project)

Taken individually, these indicators are deeply troubling. Collectively, they paint a picture of a nation where economic mobility has become increasingly limited. However, the indicators do not, in themselves, compel OSF to sharpen its focus on economic equity. We have other important priorities and must target our resources to take on many challenges.

¹ “Federal Funds to Train the Jobless are Drying Up,” *The New York Times*, April 9, 2012

Thus, the working group sought to address two central questions:

1) what unique contribution could OSF make to the advancement of economic equity; and 2) what important economic challenges are receiving insufficient attention from academics, advocates, and peer funders?

At the working group's first meeting, members identified six complementary topics for deeper exploration. Each subsequent meeting featured presentations from leading academics and advocacy experts who provided: 1) a brief historical context on the topic; 2) a snapshot of the current political moment and any policy change openings; and 3) several big or "out of the box" ideas for future consideration. The six areas of exploration were: the "future of work"; social safety net and entitlement programs; fiscal policy, including tax and budget policies; the racial wealth gap; housing finance and regulatory policy; and labor standards and enforcement.

What follows are brief summaries of several rich topical conversations. Additional details and supporting documents for each topic can be provided.

The Future of Work

The Economic Policy Institute's Lawrence Mishel and Algernon Austin led an examination of future employment patterns, including projected shifts in the global economy as well as industries and workforces, workforce demography, educational attainment, and labor standards. Examining Bureau of Labor Statistics workforce projections through 2020, Mishel and Austin gave a pessimistic analysis of the next decade's anemic job growth and prospects for real wage growth. They also found that a similar percentage of jobs in 2020, as now, will require a high school education or lower. Donna Pavetti, from the Center on Budget and Policy Priorities, presented an analysis of federally funded workforce development programs, revealing that even the best programs have only 50% success in placing low-income people into year-round employment. In contrast, public job programs, including stimulus funded efforts, have been found effective.

Safety Net and Fiscal Policy

Bob Greenstein detailed how, despite being under attack, the safety net continues to help millions from slipping into poverty. A powerful example: despite the crushing effects of the recent recession, the poverty rate did not increase exponentially between 2007 and 2010. Greenstein detailed the Earned Income Tax Credit's positive impact and spotlighted how the decline of the cash welfare system has increased desperation within families (vividly detailed in Jason DeParle's *New York Times* story). Greenstein's analysis of Rep. Paul Ryan's budget is that it would lead to \$3.3 trillion in cuts to programs benefiting low-income people over the next ten years; indeed, 62% of Ryan's cuts come from such programs. Greenstein spotlighted safety net holes and the state fiscal crisis and suggested that the coming debate about deficits, taxes, and entitlements provides an opportunity to do what was done in the early 1990s – achieve a deficit reduction deal that actually reduces poverty.

Racial Wealth Gap

Darrick Hamilton, from the New School's Milano School of International Affairs, Management, and Urban Policy, led a conversation on the racial wealth gap, which is now – due to the housing and foreclosure crisis – the widest it has ever been since the government began tracking such data. Hamilton countered stereotypes of why whites have greater wealth than blacks, confronting negative perceptions of black spending and saving, portfolio management, and entrepreneurial spirit. He cited discriminatory lending policies and limited access to capital as contributing factors to the wealth gap. The working group used a report, United for a Fair Economy's *State of the Dream* that provided a broad look at the wealth gap as it affects Asian, black, Latino, and Native American communities. Hamilton discussed two ideas – child development accounts, a publicly funded endowment that begins for each child at birth, and a federal guaranteed jobs program.

Housing Finance Regulatory Policy

Jim Carr, from the National Community Reinvestment Coalition, gave a detailed look at housing finance and the foreclosure crisis, spotlighting that 11 million homes are in foreclosure or have been foreclosed, with people of color twice as likely to experience foreclosure. Carr detailed how a disproportionate share of wealth for people of color is in home equity and noted how predatory lenders targeted higher income blacks, resulting in wealth being stripped. Carr highlighted that more than 60% of borrowers who received subprime loans had credit scores that could have qualified them for prime loans. He also cited a Pew study that revealed that, from 2005-2009, Latino wealth dropped 66%, African-Americans 56%, Asians 54%, and whites 16%. He discussed how we must seek creative solutions to assist those seeking to purchase, or keep, their homes.

Labor Standards and Enforcement

Christine Owens, from the National Employment Law Project and a former U.S. Department of Labor official, described how there has been no real expansion of labor standards for 30 years, despite profound economic and workplace changes. These changes include increased numbers of temporary, contingent, and immigrant workers, two earner families, and the decline of manufacturing. Owens shared that resources for the enforcement of workplace regulations have been dramatically eroded, noting that it would take the labor department 137 years to investigate every worksite for violations. Owens shared that the minimum wage, the right for workers to organize, and the exclusion of certain workforces (home health workers, for example) have not kept up with the economy. She detailed how immigration reform's failure leaves immigrant workers vulnerable to exploitation and widespread wage theft. Owens ended by sharing ideas about how to more effectively leverage taxpayer funding to drive the creation of good jobs, where wages are higher, benefits are better, and employers are held to higher compliance standards.

II. Areas of Consensus

In addition to the recommendations listed earlier, the working group has general agreement on:

- There is substance and scale to USP’s current economic equity work. The nature of the present crisis and the challenges of the shifting economy warrant the foundation sharpening its priorities and investment strategies.
- Though moved by all subject areas that were addressed, working group members remained clear that OSF must identify a niche that fits its unique mission and that fills important gaps within the field of funders, idea generators, and advocates.
- A mix of research plus targeted advocacy, including campaigns, is the most strategic approach. This includes utilizing national level idea generation and advocacy, state and local level advocacy, and local demonstration projects, with strategic communications integrated into all aspects of our work.
- There is great interest in pursuing the “future of work,” including how future job projections and educational requirements impact the most marginalized communities. The future of work is drawing insufficient attention from funders, academics, and advocates.
- Whichever strategies are prioritized, they must be explicitly connected to USP’s interests in advancing open society for the most marginalized, including people of color, low-income people, immigrants, women, youth, and the formerly incarcerated.
- Supporting executive and community-based advocacy, as well as legislative policy efforts, in order to expand the likelihood of winning victories during a time of political gridlock.
- Connecting safety net preservation (and expansion) with reformed fiscal policies, including the need for new approaches to raising revenue.
- Exploring new structures for advancing workers’ rights as the labor movement continues its decline. This is particularly important for low-wage workers, for whom there are several promising new efforts for immigrant women and women of color.

III. Next Steps and Questions

Beyond researching the development of a Project on Work in America, over the next few months the working group will address areas it was not able to sufficiently address to date. Since the exploration to date has been broad, the working group must also narrow its focus. Among areas still to discuss include:

- Clarifying OSF’s unique niche and how it could complement the efforts of other funders.
- Surveying existing ideas and research on “future of work” topics.
- Identifying how a “Project on Work in America” could complement the Institute for New Economic Thinking’s priorities.
- Examining economic equity at the city and state levels, ideally in sync with USP’s city/state process.
- Debating how an employment based effort can be enhanced by supporting effective wealth creation strategies, including issues of access to affordable housing, fair credit, and sound financial services.

- Digging more deeply into the role of education, including educational preparedness needs for future jobs.
- Discussing with OSF’s communications department how a new, work-focused effort could best integrate strategic communications from its early stages.
- Engaging with staff from the Global Fellowship Program about the recruitment of innovative thinkers on work and the changing economy.
- Initiating conversations with OSF’s global and USP experts on learning, monitoring, and evaluation to identify assessment tools to build into any plans.

We hope that the Board will address the following two questions at its May meeting:

- 1) USP has made sizable economic equity investments over the years – in anti-poverty, fiscal policy, housing, low-wage work, removal of reentry barriers to employment, and workforce development issues, among others – but doesn’t typically identify economic issues as a top priority. With the changing global economy, serious economic distress on the rise in the U.S., and interest within the global network (the Open Society Initiative for Southern Africa’s economic justice program, for example), ***what are the Board’s current thoughts re: the importance of economic equity as it relates to open society in the U.S. and what could a strategic balance of research and advocacy look like moving forward?***
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Thank you for your consideration of this memo. We welcome your feedback and guidance.

Economic Equity Working Group

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Open Society Foundations – U.S. Programs
Economic Equity Working Group
Member Biographies

Algernon Austin, Economic Policy Institute

Algernon Austin directs the Economic Policy Institute’s Program on Race, Ethnicity and the Economy. The Program on Race, Ethnicity and the Economy works to advance policies that enable people of color to participate fully in the American economy and benefit equitably from gains in prosperity. As the program’s director, Austin oversees reports and policy analyses on the economic condition of America’s people of color.

Prior to joining the Economic Policy Institute, Austin was a senior fellow at the Demos think tank and assistant director of research at The Foundation Center. From 2001 to 2005, he served on the faculty of Wesleyan University. He received his Ph.D. in sociology from Northwestern University.

Deepak Bhargava, OSF U.S. Programs Board, Working Group Co-Chair

Deepak Bhargava is Executive Director of the Center for Community Change, a national non-profit organization whose mission is to develop the power and capacity of low-income people, especially low-income people of color, to change the policies and institutions that affect their lives. Bhargava is also the executive director of the Center's 501(c)(4) sister organization, the Campaign for Community Change. Under his leadership, CCC has played a leading role in campaigns to achieve universal health care coverage, improve jobs and safety net policies and advance comprehensive immigration reform.

Prior to his appointment as executive director in 2002, Bhargava served as the Center's Director of Public Policy. He has run numerous national campaigns that have resulted in significant improvements in the lives of low-income families. Bhargava has emerged as a leading progressive thinker and strategist, and has written and spoken widely about issues such as poverty, immigration, and community organizing, including influential articles in *The New York Times*, *The Washington Post*, *The Nation*, and *The American Prospect*. He currently serves on the boards of the Bauman Foundation, Discount Foundation, *The Nation* editorial board, the U.S. Programs Board for the Open Society Institute, and *Democracia Ahora*.

Born in Bangalore, India, Bhargava immigrated to the United States when he was a child. He grew up in New York City and graduated summa cum laude from Harvard College. He lives in Washington, D.C. with his partner Harry Hanbury, a documentary filmmaker.

Geoffrey Canada, OSF U.S. Programs Board, Working Group Co-Chair

In his 20-plus years with Harlem Children's Zone, Geoffrey Canada has become nationally recognized for his pioneering work helping children and families in Harlem and as a passionate advocate for education reform.

Since 1990, Canada has been the President and Chief Executive Officer for Harlem Children's Zone, which The New York Times Magazine called "one of the most ambitious social experiments of our time." In October 2005, Mr Canada was named one of "America's Best Leaders" by U.S. News and World Report.

In 1997, the agency launched the Harlem Children's Zone Project, which targets a specific geographic area in Central Harlem with a comprehensive range of services. The Zone Project today covers 100 blocks and aims to serve over 10,000 children by 2011.

The New York Times Magazine said the Zone Project "combines educational, social and medical services. It starts at birth and follows children to college. It meshes those services into an interlocking web, and then it drops that web over an entire neighbourhood.... The objective is to create a safety net woven so tightly that children in the neighbourhood just can't slip through."

The work of Canada and Harlem Children's Zone has become a national model and has been the subject of many profiles in the media. Their work has been featured on "60 Minutes," "The Oprah Winfrey Show," "The Today Show," "Good Morning America," "Nightline," "CBS This Morning," "The Charlie Rose Show," National Public Radio's "On Point," as well in articles in *The New York Times*, *The New York Daily News*, *USA Today* and *Newsday*.

Shawn Dove, OSF U.S. Programs Staff

Shawn Dove joined the Open Society Institute in May 2008 as manager of the Campaign for Black Male Achievement. He has more than two decades of leadership experience in youth development, education, and community building. Dove served as one of the founding directors of New York City's Beacon School movement in the early 1990s while working with the Harlem Children's Zone. As creative communities director for the National Guild of Community Schools of the Arts he led a national initiative that partnered community schools of the arts and public housing communities in 20 U.S. cities.

As New York vice president for Mentor/National Mentoring Partnership he initiated a strategic response to the lack of African American and Latino male mentors for New York City's boys by creating a public awareness and recruitment initiative called The Male Mentoring Project. In 2006, Dove founded *Proud Poppa*, a publication for African American fathers and is a co-founder of Harlem Men Stand Up, an empowerment project that holds quarterly summits in Harlem. Dove was a Charles H. Revson Fellow at Columbia University and received a BA in English from Wesleyan University.

Barbara Ehrenreich, Author, Activist

Born in Butte, Montana, at a time when it was a bustling, brawling, blue collar mining town, Barbara Ehrenreich is a journalist, author, and activist with a work life that settled into three tracks, which continue to this day: (1) Journalism, generally essays and opinion pieces in publications including *Ms.* and *Mother Jones*, and now blogs. (2) Book-length projects on a wide range of subjects, including *Nickel and Dimed* and *Bait and Switch*, books including *For Her Own Good: 200 Years of the Experts' Advice to Women* (with Deirdre English), *The Hearts of Men: American Dreams and the Flight from Commitment*, *Fear of Falling: The Inner Life of the*

Middle Class, Kipper's Game (a science fiction novel), and *Blood Rites: Origins and History of the Passions of War*. (3) Activism on such issues as health care, peace, women's rights, and economic justice.

In 1998, Ehrenreich veered off from essay-writing for the reporting that led to the book *Nickel and Dimed*, a new experience for her as a writer both for the manual labor involved in the jobs she took to conduct her research and for its first person reporting. She followed *Nickel and Dimed* with a second reported book, *Bait and Switch: The (Futile) Pursuit of the American Dream*, based on her experiences as an undercover white-collar job seeker.

Nickel and Dimed plunged her into the nascent living wage movement, traveling to union rallies, picket lines and organizing meetings around the country. *Bait and Switch* inspired Ehrenreich to try to build an organization for unemployed, underemployed, and anxiously employed white collar workers. Her research on the book revealed that college-educated workers are extremely vulnerable to downward mobility, and often end up in low-wage jobs. With support from the Service Employees International Union, she joined with a group of people she'd met on her book tour to launch United Professionals (unitedprofessionals.org).

Ehrenreich has just published *Dancing in the Streets: A History of Collective Joy*, a scholarly book about festivities and ecstatic rituals and is now researching for a book on "the cult of cheerfulness," which requires Americans to "think positively" rather than to take positive action for change. A graduate of Reed College, with a degree in physics, and Rockefeller University, where she earned a PhD in cell biology, Ehrenreich conducted lab research and taught at the State University of New York, Old Westbury before becoming an activist and a full-time writer.

Robert Greenstein, Center on Budget and Policy Priorities

Greenstein is the founder and President of the Center on Budget and Policy Priorities. He is considered an expert on the federal budget and a range of domestic policy issues, from anti-poverty programs and various aspects of tax policy to health reform and Social Security. He has written numerous reports, analyses, book chapters, op-ed pieces, and magazine articles on these issues.

In 1996, he was awarded a MacArthur Fellowship for making "the Center a model for a non-partisan research and policy organization." In 2008, he received both the Heinz Award for Public Policy for his work to "improve the economic outlook of many of America's poorer citizens" and the 2008 John W. Gardner Leadership Award, given annually by Independent Sector, which said "Mr. Greenstein has played a defining role in how people think about critical budget and tax policies.... [and] help[ed] the nation address fiscal responsibility, reduce poverty, and expand opportunity." In May, he received the 2010 Daniel Patrick Moynihan Prize from the American Academy of Political and Social Science, which has cited him as "a champion of evidence-based policy whose work at the Center on Budget and Policy Priorities is respected on both sides of the aisle."

Prior to founding the Center, Greenstein was Administrator of the Food and Nutrition Service at the U.S. Department of Agriculture under President Carter, where he directed the agency that operates the federal food assistance programs, such as the food stamp and school lunch

programs, and helped design the landmark Food Stamp Act of 1977, generally regarded as the Carter Administration's principal anti-poverty achievement. He was appointed by President Clinton in 1994 to serve on the Bipartisan Commission on Entitlement and Tax Reform and headed the federal budget policy component of the transition team for President Obama. He is a graduate of Harvard College and has received honorary doctorates from Tufts University and Occidental College.

Jonathan Hiatt, AFL-CIO

Jonathan Hiatt is the Chief of Staff and Executive Assistant to the President of the AFL-CIO. He was appointed to the position in September, 2009, by the Federation's newly-elected President, Richard L. Trumka.

Until this new appointment, Hiatt served for fourteen years as the General Counsel of the AFL-CIO. He was appointed to this position by then-President John J. Sweeney upon Sweeney's election as President, and served as General Counsel during Sweeney's entire tenure. Hiatt also served eight years as General Counsel to the Service Employees International Union, based in Washington, D.C., where he directed the union's legal department.

Before that, he was a partner in a union-side labor law firm in Boston, Massachusetts, Angoff, Goldman, Manning, Pyle, Wanger and Hiatt. He joined the firm in 1974, after graduating from Berkeley Law School (University of California) and Harvard College. He currently lives with his family in the Washington, D.C. area.

Sherrilyn Ifill, OSF U.S. Programs Board Chair

Professor Sherrilyn Ifill is nationally recognized as an advocate in the areas of civil rights, voting rights, judicial diversity and judicial decision-making. She teaches Civil Procedure, Legal Writing, and a seminar on Reparations, Reconciliation and Restorative Justice. Professor Ifill has also taught Constitutional Law, Environmental Justice, Complex Litigation, as well as seminars on Voting Rights, Equal Protection, and Judicial Decision-making. Professor Ifill co-founded with Professor Michael Pinard the Reentry of Ex-Offenders Clinic.

Professor Ifill writes about the importance of judicial diversity and impartiality in judicial decision-making. Her articles about race, judging and judicial selection have led to Professor Ifill's recognition as an expert on these subjects. She has appeared on NBC Nightly News as well as local network news broadcasts as a consultant and expert during recent Supreme Court confirmation hearings. Professor Ifill also writes about the history of racial violence and contemporary reconciliation efforts. Her book about truth and reconciliation commissions for lynching entitled, *On the Courthouse Lawn: Confronting the Legacy of Lynching in the 21st Century* was released by Beacon Books in February 2007.

Prior to joining the Faculty in 1993, Professor Ifill served as an Assistant Counsel at the NAACP Legal Defense and Educational Fund, Inc. in New York, where she litigated voting rights cases, including *Houston Lawyers' Association v. Texas*, in which the Supreme Court held that judicial elections are subject to the provisions of the Voting Rights Act. During her tenure at Maryland

law school, Professor Ifill has continued to litigate and consult on cases on behalf of low-income and minority communities.

Professor Ifill is a frequent guest on The Marc Steiner Show, a public affairs program on WYPR, the Baltimore NPR affiliate, where she talks about race and the law, and her op-ed articles often appear in the *Baltimore Sun*, *Jurist*, and the *AFRO American* newspapers. As a voting rights expert, Professor Ifill appeared regularly as the election expert on BET News with Ed Gordon during the contested November 2000 presidential election, and continues to serve as a political and election analyst on local television and radio programs.

Professor Ifill serves as the Board Chair for the Open Society Foundations – U.S. Programs and is on the board of the Open Society Institute in Baltimore and the Enoch Pratt Free Library in Baltimore City. She is a member and Co-Director of the Children’s Choir at Mt. Calvary African Methodist Episcopal Church in Towson, Maryland.

Robert Johnson, Institute for New Economic Thinking

Robert Johnson serves as the Executive Director of the Institute for New Economic Thinking (INET) and a Senior Fellow and Director of the Global Finance Project for the Franklin and Eleanor Roosevelt Institute.

Johnson is an international investor and consultant to investment funds on issues of portfolio strategy. He recently served on the United Nations Commission of Experts on International Monetary Reform under the Chairmanship of Joseph Stiglitz.

Previously, Johnson was a Managing Director at Soros Fund Management where he managed a global currency, bond and equity portfolio specializing in emerging markets. Prior to working at Soros Fund Management, he was a Managing Director of Bankers Trust Company managing a global currency fund.

Johnson served as Chief Economist of the US Senate Banking Committee under the leadership of Chairman William Proxmire (D. Wisconsin). Before this, he was Senior Economist of the US Senate Budget Committee under the leadership of Chairman Pete Domenici (R. New Mexico). Johnson was an Executive Producer of the Oscar winning documentary, *Taxi to the Dark Side*, directed by Alex Gibney, and is the former President of the National Scholastic Chess Foundation. He currently sits on the Board of Directors of both the Economic Policy Institute and the Campaign for America’s Future.

Johnson received a Ph.D. and M.A. in Economics from Princeton University and a B.S. in both Electrical Engineering and Economics from the Massachusetts Institute of Technology.

Emma Coleman Jordan, Georgetown University

Professor Emma Coleman Jordan is best known for establishing the field of economic justice in legal theory, and for her work in financial services and civil rights. She recently released the second edition of her textbook, *Economic Justice: Race, Gender, Identity and Economics* (2011), which is a capstone to a series of articles, chapters, and books she has written on the subject, which include: “The Short End of The Stick: The Role of Race in Law, Markets and Social

Structures” (2009); *Beyond Rational Choice: Alternative Perspectives on Economics* (2006); *A Woman's Place is in the Marketplace: Gender and Economics* (2006); *When Markets Fail: Race and Economics* (2006); *Cultural Economics: Markets and Culture* (2006). Her forthcoming projects concern economic justice and the impact of asymmetric legal representation in the foreclosure crisis. At the Law Center she teaches courses in Federal Regulation of Banking; Modern Financial Institutions and Change; Commercial Law: Payments and Secured Transactions, and Contemporary Issues in Economic Justice.

Before coming to Georgetown, she taught for twelve years at the University of California, Davis. She began her teaching career at Stanford Law School as a teaching fellow. She has been active in the financial services field, serving as chair of the Financial Institutions Committee of the California State Bar, drafter of the statute to regulate bank check holding practices, and co-counsel in class actions challenging bank stop-payment fee charges. Her article, "Ending the Floating Check Game" grew out of this involvement. She organized the Financial Institutions and Consumer Financial Services section of the AALS.

She is a past-president of both the Association of American Law Schools and the Society of American Law Teachers. She was elected to membership in the American Law Institute in 1984. Professor Jordan graduated first in her class at Howard University School of Law, serving as editor-in-chief of the Howard Law Journal. She received her B.A. from San Francisco State University. She was a White House Fellow in 1980-81, serving as special assistant to the Attorney General of the United States. She was counsel to Professor Anita Hill during the Clarence Thomas confirmation hearings.

Professor Jordan is a regular commentator on economic justice issues and the financial service industry, having made appearances on PBS, News Hour, NPR, Diane Rehm, and the Bill Moyer Show CSPAN. She also has written opinion pieces for the [New York Times](#), [Huffington Post](#), [Washington Post](#), and the [American Banker](#). Professor Jordan is the 2005 recipient of Clyde Ferguson Award for Outstanding Scholarship, Teaching and Service. She serves as a frequent keynote lecturer and commentator, including presentations to the Annual Meeting of the Council of Institutional Investors and the New York University School of Law 2009 Derrick Bell Lecture.

Raquiba LaBrie, OSF U.S. Programs Staff

Raquiba LaBrie is the director of the Equality and Opportunity Fund at the Open Society Foundation's U.S. Programs. In this role, LaBrie directs grantmaking focused on ensuring justice and equality, prohibiting arbitrary and discriminatory government action, and lifting barriers that prevent people from participating fully in economic, social, and political life.

Recently, LaBrie spearheaded an OSI initiative to respond to the subprime lending crisis. LaBrie was previously the program director of U.S. Programs' Sentencing & Incarceration Alternatives Project, which sought to reduce the scale of incarceration in the U.S. by: eliminating race and class disparities in sentencing and incarceration; promoting alternatives to incarceration; and limiting prison growth and prison privatization. LaBrie also directed the Soros Justice Fellowships and served as program officer for U.S. Programs' Access to Justice program, which focused on strengthening the federally funded civil legal aid field.

Prior to joining OSI, LaBrie was an associate in the exempt organizations practice group of Patterson, Belknap, Webb & Tyler. While there she represented a range of private foundations and nongovernmental organizations, including community economic development organizations, social justice activists, and funders supporting micro-credit lending institutions in Africa, Asia and Latin America. She graduated from Yale College and Harvard Law School.

Diana Lee Morris, OSF U.S. Programs Staff

Diana Morris is Acting Executive Director of U.S. Programs at the Open Society Foundations and the director of the Open Society Institute-Baltimore, a field office established in 1997 to understand and address the local and state social and economic dynamics at play that impede opportunity and justice.

From 1991-1997, she served as the executive director of the Blaustein Philanthropic Group, a set of eight family foundations based in Baltimore that awards local, national and international grants. Previously, Morris was a program officer at the Ford Foundation, first for refugee and migrant rights (1982-1987) and then for human rights and social justice for Eastern and Southern Africa (1987-1990). Morris began her career as an attorney-adviser for human rights and refugee matters in the Office of the Legal Adviser at the Department of State. She holds an AB from Smith College and a JD from Boston University and is a member of the New York State Bar.

Morris served as president of the Association of Baltimore Area Grantmakers from 1996-2000 and was a member of its board from 1994-2001. She is a member of the board of directors of the Baltimore Substance Abuse Systems and the chair of the board of the Safe and Sound Campaign. She was named to The Daily Record's Top 100 Women in Maryland in 1999 and 2001. Morris is a recipient of a Special Recognition Award from the Maryland Legal Services Corporation and a Public Service Award from Boston University Law School.

Andy Stern, OSF U.S. Programs Board

Andy Stern served as president of the Service Employees International Union (SEIU) from 1996 to 2010 and is the Ronald O. Perelman Senior Fellow at Columbia University's Richman Center. Stern is a leading voice and a prominent advocate for people who work. Called a "courageous, visionary leader who charted a bold new course for American unionism," Stern's practical solutions to achieve economic opportunity and justice for all workers have earned the respect of workers, business leaders and policy makers on both sides of the aisle. Under his tenure as president, SEIU bucked the trend and through its signature national and global organizing campaigns Justice for Janitors, There Is No Place Like Home (home care workers), Kids First (child care), grew by more than 1.2 million workers, turning traditionally underpaid service work into jobs that can help support a family and lift up a community.

Stern is a member of the National Commission on Fiscal Responsibility and Reform, and through his work to put the American Dream back within the reach of everyday working people, his name is frequently found on the short lists for everything from Washington's most influential leaders on health care to the White House's visitor log to favorite targets of the far right. Stern began working as a social service worker and member of SEIU Local 668 in 1973. He served as organizing director for SEIU before his landmark election as president in 1996. After

launching a national debate about the fundamental change needed to unite the 9 out of 10 American workers who have no organization at work, Stern led SEIU out of the AFL-CIO and transformed the national labor landscape by founding the Change to Win labor federation with six other major unions in 2005. Stern is the author of the book, *A Country That Works* (Free Press), which offers a fresh prescription for the vital political and economic reforms America needs to get back on track.

Bill Vandenberg, OSF U.S. Programs Staff, Working Group Co-Chair

Bill Vandenberg is the program director for the Democracy Fund at the Open Society Foundations U.S. Programs. The Fund invests in economic and social policy idea generation, voter participation, and grassroots advocacy within diverse constituencies.

Prior to joining OSF, Vandenberg lived in Denver for 17 years, where he was a field strategist on ballot initiative and advocacy campaigns, legislative lobbyist, and the executive director for the Colorado Progressive Coalition, the statewide, multiracial nonprofit that he cofounded in 1996. Spotlights in the book *White Men Challenging Racism* and honored by Denver's mayor with a "Bill Vandenberg Day," he led the coalition's work to advance racial and economic justice, with highlights including long-time leadership in the state's pro-affirmative action coalition, stewardship of immigrant justice and criminal justice reform organizing, and lobbying successfully to pass anti-racial profiling legislation.

He also led successful campaigns to: raise Colorado's minimum wage in 2006, putting annual wage increases for more than 130,000 low-wage workers into the state's constitution; build community support for a successful referendum fight to roll back the nation's most restrictive and anti-government public investment law; and build the largest non-partisan voter mobilization drive in state history, recognized as one of the nation's top community-based voter programs.

Vandenberg is a graduate of Boston College and was a 2008 fellow in the Rockwood Leadership Program's yearlong national nonprofit leadership program. In addition to directing the Democracy Fund's grantmaking and program development, he has initiated field-based experimentation to catalyze innovation in nonprofit fundraising as well as original research to dissect the roots of white working class conservatism. Vandenberg serves on the board of the General Service Foundation; on the steering committee for the Funders' Committee on Civic Participation; and on the executive committee for the Tax Revenue Campaign.

Dorian T. Warren, Columbia University

Dorian T. Warren is Assistant Professor in the Department of Political Science, the School of International and Public Affairs, and the Institute for Research in African-American Studies at Columbia University. He is also a Fellow at the Roosevelt Institute.

Warren specializes in the study of inequality and American politics. His research and teaching interests include labor organizing & politics, race and ethnic politics, urban politics and policy, American political development, community organizing, social movements, and social science methodology.

A native Chicagoan who believes in voting early and often, Warren received his B.A. from the University of Illinois and his M.A. and Ph.D. from Yale University. He has taught at the Harris School of Public Policy at the University of Chicago, and has received research fellowships and grants from the Ford Foundation, CUNY's Murphy Institute, the Public Welfare Foundation and the Russell Sage Foundation.

Warren has worked with several national and local organizations including the Leadership Conference on Civil and Human Rights, American Rights at Work, AFL-CIO, UNITE-HERE, SEIU, UFCW, Steelworkers, NGLTF Policy Institute, and Jobs with Justice, among others. He currently serves on the boards of the Applied Research Center, Center for Community Change, Columbia Law School's Center for Social and Institutional Change, ALIGN, the Model Alliance and the Discount Foundation.

As a commentator on public affairs, Warren sometimes appears on television and radio including NBC Nightly News, ABC, MSNBC, CNN, BBC, NPR, Bloomberg, Democracy Now!, GritTV & NY1, among other outlets. His publications include: "What NBA Stars and Occupy Wall Street Have in Common," *Washington Post*, October 28, 2011 (with Paul Frymer); "Occupy Wall Street: A 21st Century Populist Movement?" *Dissent Magazine*, October, 2011 (with Joe Lowndes); "The Unsurprising Failure of Labor Law Reform and the Turn to Administrative Action," in Theda Skocpol and Lawrence R. Jacobs, eds., *Reaching For A New Deal: Ambitious Governance, Economic Meltdown, and Polarized Politics in Obama's First Two Years*, Russell Sage Foundation (2011); "The American Labor Movement in the Age of Obama: The Challenges and Opportunities of a Racialized Political Economy," *Perspectives on Politics*, v. 8, no. 8: 847-860 (2010); and Race and American Political Development, Editor, with Joe Lowndes and Julie Novkov, Routledge (2008).

The New York Times

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Welfare Limits Left Poor Adrift as Recession Hit

By JASON DePARLE

PHOENIX — Perhaps no law in the past generation has drawn more praise than the drive to “end welfare as we know it,” which joined the late-’90s economic boom to send caseloads plunging, employment rates rising and officials of both parties hailing the virtues of tough love.

But the distress of the last four years has added a cautionary postscript: much as overlooked critics of the restrictions once warned, a program that built its reputation when times were good offered little help when jobs disappeared. Despite the worst economy in decades, the cash welfare rolls have barely budged.

Faced with flat federal financing and rising need, Arizona is one of 16 states that have cut their welfare caseloads further since the start of the [recession](#) — in its case, by half. Even as it turned away the needy, Arizona spent most of its federal welfare dollars on other programs, using permissive rules to plug state budget gaps.

The poor people who were dropped from cash assistance here, mostly single mothers, talk with surprising openness about the desperate, and sometimes illegal, ways they make ends meet. They have sold food stamps, sold blood, skipped meals, shoplifted, doubled up with friends, scavenged trash bins for bottles and cans and returned to relationships with violent partners — all with children in tow.

Esmeralda Murillo, a 21-year-old mother of two, lost her welfare check, landed in a shelter and then returned to a boyfriend whose violent temper had driven her away. “You don’t know who to turn to,” she said.

Maria Thomas, 29, with four daughters, helps friends sell piles of brand-name clothes, taking pains not to ask if they are stolen. “I don’t know where they come from,” she said. “I’m just helping get rid of them.”

To keep her lights on, Rosa Pena, 24, sold the groceries she bought with food stamps and then kept her children fed with school lunches and help from neighbors. Her post-welfare credo is widely shared: “I’ll do what I have to do.”

Critics of the stringent system say stories like these vindicate warnings they made in 1996 when President [Bill Clinton](#) fulfilled his pledge to “end welfare as we know it”: the revamped law encourages states to withhold aid, especially when the economy turns bad.

The old program, [Aid to Families with Dependent Children](#), dates from the New Deal; it gave states unlimited matching funds and offered poor families extensive rights, with few requirements and no time limits. The new

program, Temporary Assistance for Needy Families, created time limits and work rules, capped federal spending and allowed states to turn poor families away.

“My take on it was the states would push people off and not let them back on, and that’s just what they did,” said Peter B. Edelman, a law professor at Georgetown University who [resigned from the Clinton administration](#) to protest the law. “It’s been even worse than I thought it would be.”

But supporters of the current system often say lower caseloads are evidence of decreased dependency. Many leading Republicans are pushing for similar changes to much larger programs, like [Medicaid](#) and food stamps.

Representative Paul D. Ryan of Wisconsin, the top House Republican on budget issues, calls the current welfare program “an unprecedented success.” Mitt Romney, who leads the race for the Republican presidential nomination, has said he would place similar restrictions on “all these federal programs.” One of his rivals, Rick Santorum, calls the welfare law a source of spiritual rejuvenation.

“It didn’t just cut the rolls, but it saved lives,” Mr. Santorum said, giving the poor “something dependency doesn’t give: hope.”

President Obama spoke favorably of the program in his 2008 campaign — promoting his role as a state legislator in cutting the Illinois welfare rolls. But he has said little about it as president.

Even in the 1996 program’s early days, when jobs were plentiful, a subset of families appeared disconnected — left with neither welfare nor work. Their numbers were growing before the recession and seem to have surged since then.

No Money, No Job

While data on the very poor is limited and subject to challenge, recent studies have found that as many as one in every four low-income single mothers is jobless and without cash aid — roughly four million women and children. Many of the mothers have problems like addiction or depression, which can make assisting them politically unpopular, and they have received little attention in a downturn that has produced an outpouring of concern for the middle class.

Poor families can turn to other programs, like food stamps or Medicaid, or rely on family and charity. But the absence of a steady source of cash, however modest, can bring new instability to troubled lives.

One prominent supporter of the tough welfare law is worried that it may have increased destitution among the most disadvantaged families. “This is the biggest problem with welfare reform, and we ought to be paying attention to it,” said Ron Haskins of the Brookings Institution, who helped draft the 1996 law as an aide to House Republicans and argues that it has worked well for most recipients.

“The issue here is, can you create a strong work program, as we did, without creating a big problem at the bottom?” Mr. Haskins said. “And we have what appears to be a big problem at the bottom.”

He added, “This is what really bothers me: the people who supported welfare reform, they’re ignoring the problem.”

The welfare program was born amid apocalyptic warnings and was instantly proclaimed a success, at times with a measure of “I told you so” glee from its supporters. Liberal critics had warned that its mix of time limits and work rules would create mass destitution — “children sleeping on the grates,” in the words of Senator Daniel Patrick Moynihan, a New York Democrat who died in 2003.

But the economy boomed, employment soared, poverty fell and caseloads plunged. Thirty-two states reduced their caseloads by two-thirds or more, as officials issued press releases and jostled for bragging rights. The tough law played a large role, but so did expansions of child care and tax credits that raised take-home pay.

In a twist on poverty politics, poor single mothers, previously chided as “welfare queens,” were celebrated as working-class heroes, with their stories of leaving the welfare rolls cast as uplifting tales of pluck. Flush with federal money, states experimented with programs that offered counseling, clothes and used cars.

But if the rise in employment was larger than predicted, it was also less transformative than it may have seemed. Researchers found that most families that escaped poverty remained “near poor.”

And despite widespread hopes that working mothers might serve as role models, studies found few social or educational benefits for their children. (They measured things like children’s aspirations, self-esteem, grades, drug use and arrests.) Nonmarital births continued to rise.

But the image of success formed early and stayed frozen in time.

“The debate is over,” President Clinton said a year after signing the law, which he often cites in casting himself as a centrist. “Welfare reform works.”

The recession that began in 2007 posed a new test to that claim. Even with \$5 billion in new federal funds, caseloads rose just 15 percent from the lowest level in two generations. Compared with the 1990s peak, the national welfare rolls are still down by 68 percent. Just one in five poor children now receives cash aid, the lowest level in nearly 50 years.

As the downturn wreaked havoc on budgets, some states took new steps to keep the needy away. They shortened time limits, tightened eligibility rules and reduced benefits (to an average of about \$350 a month for a family of three).

Since 2007, 11 states have cut the rolls by 10 percent or more. They include centers of unemployment like Georgia, Indiana and Rhode Island, as well as Michigan, where the welfare director justified cuts by telling legislators, “We

have a fair number of people gaming the system.” Arizona cut benefits by 20 percent and shortened time limits twice — to two years, from five.

Many people already found the underlying system more hassle than help, a gantlet of job-search classes where absences can be punished by a complete loss of aid. Some states explicitly pursue a policy of deterrence to make sure people use the program only as a last resort.

Since the states get fixed federal grants, any caseload growth comes at their own expense. By contrast, the federal government pays the entire food stamp bill no matter how many people enroll; states encourage applications, and the rolls have reached record highs.

Among the Arizonans who lost their checks was Tamika Shelby, who first sought cash aid at 29 after fast-food jobs and a stint as a waitress in a Phoenix strip club. The state gave her \$176 a month and sent her to work part time at a food bank. Though she was effectively working for \$2 an hour, she scarcely missed a day in more than a year.

“I loved it,” she said.

Her supervisor, Michael Cox, said Ms. Shelby “was just wonderful” and “would even come up here on her days off.”

Then the reduced time limit left Ms. Shelby with neither welfare nor work. She still gets about \$250 a month in food stamps for herself and her 3-year-old son, Dejon. She counts herself fortunate, she said, because a male friend lets her stay in a spare room, with no expectations of sex. Still, after feeding her roommate and her child, she said, “there are plenty of days I don’t eat.”

“I know there are some people who abuse the system,” Ms. Shelby said. “But I was willing to do anything they asked me to. If I could, I’d still be working for those two dollars an hour.”

Diverting Federal Funds

Clarence H. Carter, Arizona’s director of economic security, says finances forced officials to cut the rolls. But the state gets the same base funding from the federal government, \$200 million, that it received in the mid-1990s when caseloads were five times as high. (The law also requires it to spend \$86 million in state funds.)

Arizona spends most of the federal money on other human services programs, especially foster care and adoption services, while using just one-third for cash benefits and work programs — the core purposes of Temporary Assistance for Needy Families. If it did not use the federal welfare money, the state would have to finance more of those programs itself.

“Yes, we divert — divert’s a bad word,” said State Representative John Kavanagh, a Republican and chairman of the Arizona House Appropriations Committee. “It helps the state.”

While federal law allows such flexibility, critics say states neglect poor families to patch their own finances. Nationally, only 30 percent of the welfare money is spent on cash benefits.

“It’s not that the other stuff isn’t important, but it’s not what T.A.N.F.” — the Temporary Assistance program — “was intended for,” said LaDonna Pavetti of the [Center on Budget and Policy Priorities](#), a Washington research and advocacy group. “The states use the money to fill budget holes.”

Even in an economy as bad as Arizona’s, some recipients find work. Estefana Armas, a 30-year-old mother of three, spent nine years on the rolls, fighting depression so severe that it left her hospitalized. Once exempt from time limits because of her mental health, Ms. Armas joined support groups, earned a high school equivalency degree and enrolled in [community college](#).

Just as her time expired last summer, Ms. Armas found work as a teacher’s aide at a church preschool.

“It kind of pushed me to get a job,” she said.

Supporters of Temporary Assistance cite stories like that to argue that it promotes a work ethic. Despite high unemployment, low-skilled single mothers work as much now, on average, as they did under the old welfare law — and by some measures, a bit more. As a group, their poverty rates are still lower. And those without cash aid, they say, can turn to other programs.

“We have reduced our caseload, and we don’t have people dying in the street,” Mr. Kavanagh said. “There were an awful lot of people who didn’t need it.”

But the number of very poor families appears to be growing. Pamela Loprest and Austin Nichols, researchers at the [Urban Institute](#), found that one in four low-income single mothers nationwide — about 1.5 million — are jobless and without cash aid. That is twice the rate the researchers found under the old welfare law. More than 40 percent remain that way for more than a year, and many have mental or physical disabilities, sick children or problems with domestic violence.

Using a different definition of distress, Luke Shaefer of the University of Michigan and Kathryn Edin of Harvard examined the share of households with children in a given month living on less than \$2 per person per day. It has nearly doubled since 1996, to almost 4 percent. Even when counting food stamps as cash, they found one of every 50 children live in such a household.

The Census Bureau uses a third measure, “deep poverty,” which it defines as living on less than half of the amount needed to escape poverty (for a family of three, that means living on less than \$9,000 a year). About 10 percent of households headed by women report incomes that low, a bit less than the peak under the old law but still the highest level in 18 years.

Some researchers say the studies exaggerate poverty by inadequately accounting for undisclosed income, like help from boyfriends or under-the-table jobs. They note that asking poor people about their consumption, rather than their income, suggests that even the poorest single mothers have improved their standard of living since 1996.

Mr. Haskins, the Temporary Assistance program’s architect, agrees that poverty at the bottom “is not as bad as it seems,” but adds, “It’s still pretty darn bad.”

Trying to Make Do

Asked how they survived without cash aid, virtually all of the women interviewed here said they had sold food stamps, getting 50 cents for every dollar of groceries they let others buy with their benefit cards. Many turned to [food banks](#) and churches. Nationally, roughly a quarter have subsidized housing, with rents as low as \$50 a month.

Several women said the loss of aid had left them more dependent on troubled boyfriends. One woman said she sold her child’s [Social Security](#) number so a relative could collect a tax credit worth \$3,000.

“I tried to sell blood, but they told me I was anemic,” she said.

Several women acknowledged that they had resorted to shoplifting, including one who took orders for brand-name clothes and sold them for half-price. Asked how she got cash, one woman said flatly, “We rob wetbacks” — illegal immigrants, who tend to carry cash and avoid the police. At least nine times, she said, she has flirted with men and led them toward her home, where accomplices robbed them.

“I felt bad afterwards,” she said. But she added, “There were times when we didn’t have nothing to eat.”

One family ruled out crime and rummaged through trash cans instead. The mother, an illegal immigrant from Mexico, could not get aid for herself but received \$164 a month for her four American-born children until their time limit expired. Distraught at losing her only steady source of cash, she asked the children if they would be ashamed to help her collect discarded cans.

“I told her I would be embarrassed to steal from someone — not to pick up cans,” her teenage daughter said.

Weekly park patrols ensued, and recycling money replaced about half of the welfare check.

Despite having a father in prison and a mother who could be deported, the children exude earnest cheer. A daughter in the fifth grade won a contest at school for reading the most books. A son in the eighth grade is a student leader praised by his principal for tutoring younger students, using supplies he pays for himself.

“That’s just the kind of character he has,” the principal said.

After losing cash aid, the mother found a cleaning job but lost it when her boss discovered that she was in the United States illegally. The family still gets subsidized housing and \$650 a month in food stamps.

The boy worries about homelessness, but his younger sisters, 9 and 10, see an upside in scavenging.

“It’s kind of fun because you get to look through the trash,” one of the girls said.

“And you get to play in the park a little while before you go home,” her sister agreed.

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<http://www.nytimes.com/2012/04/08/us/welfare-limits-left-poor-adrift-as-recession-hit.html?pagewanted=all>