Erica Lee is being hassled and doesn’t like it. “I have to fill out all these papers here for a check of $322,” she says, waving a bundle of 10 sheets of paper at me, each with five places for employers to verify that she has looked for work. The 20-year-old mother of one hasn’t even been on welfare a year, and she has already been “sanctioned” twice for not conforming to the system’s requirements.

As a result, her monthly check has been halved to $161. And if she doesn’t get the 50 employer signatures in the next 11 days, she’ll lose that.
Derica is a participant in Work First New Jersey, the Garden State’s new welfare program that insists beneficiaries sign a contract to engage in some sort of “work-related activity” for 35 hours a week. Derica’s mother and grandmother both relied on welfare to support their families. And when she got tired of being “in the streets” and wanted to take custody of her 4-year-old daughter, she decided to follow in their foot-

her frustration on a dreary Saturday in Camden, New Jersey. It’s March, and I’ve traveled to Camden to spend a few days investigating the reality of welfare reform in this, one of the great lost cities of America. We’re at Nancy’s Rest Home, a boarding house for Camden seniors, and we’re not alone. Ella Hilton, the daughter of the boarding house’s owner and a longtime community activist, is our host. Her friend Cynthia “Cookie” Pulliam sits in the corner under the front window. Seventeen year old Tiffany Washington, her belly full with a baby boy due in April, sits in front of the door. Cynthia Jordan Hannah, known as “Blondie,” joins us midway.

Everyone in the room except me has personal experience with “the system,” the short-hand term for the constellation of government programs, including welfare, HUD, food stamps, and family and youth services, that sets the parameters of life for so many in this grim town of burned-out buildings and empty storefronts. For two-and-a-half hours, we ponder the same questions think tankers, welfare bureaucrats, academics, and advocacy groups are asking about welfare reform: Why have the welfare rolls dropped so drastically? What is happening to those who leave the rolls? Where are they going? Has the reform been successful?

Nancy’s Rest Home is located just off Atlantic Avenue, a boulevard of broken dreams if ever there was one. Not dreams of fame or fortune, but the more practical middle-class dream of a stable job that pays the mortgage and gives the kids hope for a brighter future. Brick two-story rowhouses sit abandoned, boarded up, or on the verge of that fate. The most common window-covering in Camden is gray-painted plywood stenciled with “Camden Community Housing Campaign” or “Department of Public Works.”

Camden is a place where people are so poor that cigarettes are sold one at a time. It’s a town where drug dealers, whose names are well-known to residents, reportedly buy up entire blocks of row houses so as to post effective lookouts. Stand at one of Camden’s numerous homeless shelters and look left to see the open-air market for heroin; look right to see where you can pick up a bit of crack. In a city that covers nine square

A Few Miles Into Hell

Derica, dressed in black jeans and a snakeskin jacket, is venting
miles, there's no movie theater and only one supermarket, so far on the south end of town that it's useless to the many residents who don't own cars.

Located directly across the Delaware River from Philadelphia, Camden was once a bustling burg known for its shipyards, its RCA plants, and its Campbell Soup factories. But businesses left Camden years ago, and there is no reason to expect them back anytime soon. New York Ship built its last vessel in 1967; the RCA Building has sat empty for years; and Campbell Soup, still technically headquartered in Camden, quit cooking there about a decade ago.

Today, if you don't work for a government agency or a hospital, you're not likely to work in Camden. Its population peaked at 125,000 in the 1950s. It is now down to 83,000 and dropping. The average household income was a measly $17,386 according to the 1990 Census, compared to $40,927 for New Jersey as a whole. Three thousand buildings sit boarded up. At one time, Camden was the destination for South Jersey shoppers. These days, all that suburbanites send to Camden is its excrement, which is treated at its sewage facility.

"Driving into Camden," writes a New Jersey editorialist, "is driving a few miles into hell."

Which is to say that Camden is ground zero in the debate over welfare reform, at least in an urban setting. If reform can work here, it can work anywhere. So does it?

The new welfare system looks great on paper. Four years into it, 6 million Americans have left the rolls and 1 million fewer children are living in official poverty.

"Welfare reform—it looks good on paper," says Blondie, a compact woman whose idea of an interview is to lecture me in a voice just short of a yell. Blondie has lived in Camden for more than 30 years and has seen many welfare programs come and go; she recently received an award from the city council for her "lifetime of community service." She's skeptical of the abilities of county, city, and federal bureaucrats to make people's lives better. She lives in a world of constant conflict: European-Americans against African-Americans, the system against the people. At Nancy's she tells me how things really work in Camden: "Camden City is based on the slave mentality: 'Yes'm boss, yes'm boss.'"

Blondie unabashedly prefers the old welfare system, the system she was on from 1975 to 1978. She signed up because she had a baby and signed off when she got tired of being on welfare. Still, Blondie credits President Jimmy Carter for her success. She says Carter was for the people because he made getting welfare easier. When she got her act together and decided to go to college, she got to keep her food stamps, welfare check, and Medicaid for three years. "They offered me a good package, so I get me a drug boy," explains Blondie in an extended hypothetical example, as Derica and Tiffany nod in agreement. "He takes good care of me, and my house becomes a rock spot. I got to survive, so that's what I do."

The new welfare system does look great on paper. When President Clinton signed the Republican welfare reform bill into law in August 1996, the predictions were dire. The Urban Institute spit out a study showing 2.6 million Americans—including 1.1 million kids—would be pushed into poverty. Advocates for the poor claimed that, absent a major public jobs program, welfare recipients would be unable to find employment. Americans were told that homeless shelters would fill up and soup kitchens would be deluged as states, free of federal micromanagement, cut spending on social services. Warned Sen. Daniel Patrick Moynihan (D-N.Y.) from the Senate floor, "We are putting our children at risk with absolutely no evidence that this radical idea has even the slightest chance of success."

Yet four years out, 6 million Americans have left the rolls, the majority of adults passing the homeless shelters and food kitchens on their way to work. States engaged not in across the-board cuts but in varied experiments that emphasized and supported work. In many cases, as traditional welfare caseloads plummeted, states shifted spending to support services such as child care and transportation subsidies. The number of Americans living in poverty didn't increase; it dropped. In
Free Ride
Getting people to work

Work First New Jersey inspired the top two welfare administrators for the Gloucester County Board of Social Services to try another line of work—acting. After the law passed in 1996, board director Carol Pirrotta and her deputy, William Gordon, put on a skit for the county Board of Supervisors in which they acted out the likely effects of the new law. Pirrotta played a woman in desperate need of financial help. Gordon, cast as the role of welfare worker, informed her that her five years were up and he had no help to offer. They brought down the house and were invited back for a command performance for the area’s state legislators.

If asked to perform the same skit today, Gordon would rewrite the ending. He would give Pirrotta a car.

These days they get a bit giddy talking about welfare reform and what it has allowed them to do for their clients. Instead of giving them a tight script from which to read, the new law allows them to improvise.

 Gloucester is a rural county in the densely populated state of New Jersey. Unlike in Camden, which is connected to surrounding suburbs and Philadelphia by multiple bus routes and train lines, public transportation is not an attractive option for many of the county’s families. Prior to the reform, the system mandated that anybody engaged in a work or training activity be given 15 per workday for transportation expenses. "Who knows what they did with this money," says Gordon. He figures clients considered it a monthly cash bonus of $120. Post reform, however, Pirrotta and Gordon took this money and converted it into bus passes, which cost half as much. For individuals who live far from a bus stop, they created a jitney service that provided rides to bus stops.

Strangely, clients were somehow able to get to work when the option of government transportation was limited upon them, says Gordon. "All of a sudden they say, ‘I think my uncle gave me a car last week.’ The money driven clients are on their own by insurance cards and must pay the rate for the car. As of June, they’ve provided seven people with cars.

Carmela Desilvio told the profile of severe transportation need. Before showing up at work at 9 a.m., she must get her three children to day care and school. At the end of the day, she comes in late. She lives in a severely depressed neighborhood and cannot afford the $900 it would cost daily for the children to be picked up with her. But that is a lot of money, and Desilvio isn’t eligible for a Medicaid extension, although her county has provided her with health insurance that pays for her two-weeks and rents her own home. She plans to purchase the car through the help of a state government program.

Her life is more stressful now. She’s more likely to get behind on her bills. She is no longer able to make ends meet. But the government has given her a car. Her life is much better now. She can afford to buy groceries and have a few friends. She feels more secure in her home and is no longer afraid of the dark. And the system controls everything. It’s a perfect system, the only one worth it. There’s no more money to do anything. You have to live with people. And the system controls everything.

By removing the barriers to work, people can simply take things for granted—Desilvio. Yet, Pirrotta and Gordon have put people like Desilvio to work. It’s a remarkable success story.
1998, the last year for which data are available, 2 million fewer Americans—1 million fewer children—lived in official pov-

erity than in 1996. In New Jersey, welfare rolls have dropped

by nearly half since 1997; the same is true for the city of

Camden.

Not Your Mother’s Welfare System

Cookie, born in Richmond, Virginia, in 1957, came to Cam-
den as a baby and has lived most of her life in Camden’s pub-

clic housing, where she is a fixture. Children play in front of

her apartment, located next to a community center where she su-
pervises recreation programs. When a friend is pregnant, she

hosts a shower, as she did for Tiffany just before I arrived in

Camden. When people need a place to stay, she puts them up.

By her own admission, her world is limited, but she is not afraid to

try new things. She is proud of what she has made of her life. None of

her five children has ended up on drugs, on the system, or in jail. Her

youngest, a boy, is a high school basketball star. She did her time on

welfare, and she is glad to be off. I ask about the differ-

ence between being on and off wel-

fare. “I feel good about myself,” she

tells me. “I don’t have to answer questions like, ‘Do you have insurance for your

kids? Do you have a car? Do you have money in the bank?'” Says Cookie: “Yes, I have money in the bank. I work hard for

it. I feel good I don’t have to answer to none of that. All I have
to do is pay my bills and keep on going.”

As we sit discussing the system, old and new, it strikes me

that Cookie’s and Derica’s experiences encapsulate a funda-

mental shift in the system, an inversion of the incentives. The

system Cookie faced was easy to get on and hard to get off.

Derica is facing one that’s hard to get on and easy to get off.

When Cookie had her first baby at 18, shortly after gradu-

ating from Woodrow Wilson High School in 1976, the sys-

tem welcomed her with open arms. When, as the mother of

a 2-week-old infant, she showed up to apply for assistance,
she says the caseworker asked, “Why did you wait so long?”

She immediately got a grant of $235 a month, and her rent

was set at the standard 30 percent of her cash income. She re-
ceived food stamps and Medicaid. She and her sister got an

automatic transfer out of her mother’s public housing unit

to an apartment of their own. Within a year, she had her own

unit. She struggled but managed to get by, supplementing her

income at one point by being a foster parent. (Such income
didn’t affect her welfare check or rent.)

Why was it hard to get off the system? At the time, giving

up the cash grant meant giving up other benefits. Unless a

recipient got long term training, like Blondie did, saying

goodbye to welfare meant saying goodbye to Medicaid. For

every $3 Cookie earned over her welfare grant, a rent increase

would gobble up $1. If she made too much money, her food stamps would be re-
duced. These policies combined to create a punitive highly marginal tax.

It’s not that people couldn’t work their way off. Cookie left in 1990 for a job as a

recreation aide at her housing complex’s community center. But the combined

benefits were more than many individuals could expect to earn from a job, though

not enough to live on comfortably. That reality was hardly limited to Camden or

New Jersey. According to the Cato Insti-

tute, in 1995 the benefit packages of 40 states paid better than

an $8-an-hour job; in New Jersey, it equaled $12.75 an hour.

For many low-skill women, the old welfare system was a deal

that couldn’t be beat.

Work First New Jersey, Gov. Christine Todd Whitman’s

welfare package that became law in March 1997, changed this.

It wasn’t the state’s first attempt at reform. In 1992 New Jersey

enacted a controversial family cap law that meant recipients

who gave birth to additional children while on welfare

wouldn’t get any extra money. At the same time, the state in-

creased post-welfare support, extending Medicaid and child

care support for individuals who left welfare; the state also cre-

ated training and community college-based education pro-

grams. Birth rates declined, but a Rutgers University study

found that the education and training programs didn’t help

people get off welfare any sooner, stay off any longer, or at-
tain higher-paying jobs than folks who were left alone.

Work First New Jersey is succeeding by all three measures. While federal law allows states to give individuals up to two years to find a job, in New Jersey clients must go to work right away. If you’re under 18, your job is to finish school. If you’re over 18, your job is to get a job. If you’ve worked in the last year, it’s straight into an intensive job search, the goal of which is to avoid getting on the system in the first place. If you don’t have a high school diploma, you must work toward a GED. But you will spend 35 hours a week in some “work-related activity” to earn your assistance money. Counties run Community Work Experience Programs, which offer on-the-job training at government agencies and nonprofits, and Alternative Work Experience Programs, which offer remedial education programs for individuals who need basic skills before they are likely to be hired. If an individual doesn’t comply, then she gets sanctioned like Derica Lee, and her check is cut in half. After 90 days of inaction, her case is closed. On average, New Jersey closes 300 to 400 cases a month due to sanctions.

So when Derica says she might as well get a job, she’s not kidding. This, in essence, makes the new system hard to get on. A client is faced with a long, privacy-invasive application and a contract in which she must promise to look for work. The payoff is a cash grant of $322 for one child, $424 for two children, and assistance finding a job or placement in a full-time job training program. Considering the hassles, unless you’re in a crisis situation or actually want the training, you might as well just look for work.

Unlike earlier programs, recipients get to keep most of their wages. Individuals lose only 50 cents of their grant for each dollar they earn, so even low-paying, part-time work can make one financially better off. Medicaid, food stamps, childcare vouchers, and, in some cases, public housing rents have been separated from the cash grant. The average wage earned by individuals who leave welfare for work in New Jersey is $7.31 an hour. The federal Earned Income Tax Credit can also add more than $3,600 a year to the wages of individuals working full time for $7 an hour.

This all adds up. According to a study of Work First New Jersey conducted for the state by Mathematica Policy Research, those who left welfare for work earned an average of $1,600 a month. Those who remained on the system and stayed unemployed took in an average of just under $800 a month. Such a disparity isn’t unique to New Jersey. Says Douglas Besharov of the American Enterprise Institute, “The clear consensus of all the studies is that folks who are working are doing better than folks who stay on welfare.”

**The View From the Top**

The folks who actually run Camden’s system aren’t convinced that people are better off under the new plan. They’re not sure they are working. They’re not even sure where they are.

“I don’t know where they’ve all gone,” says Andrea Rauer, who runs Camden County’s social service department. “I don’t know where my clients are.” Rauer expresses her concern in the department’s second-floor conference room, where we’re joined by three other top social service officials. Plaques of appreciation sent by the Red Cross, a local high school, and the U.S. Department of Social Services adorn the room’s walls, assuring me we’re sitting in a place where good works are done.

The drastic drop in the welfare rolls shocked everyone in this room. Yet with more than 130 years of combined experience working social services in Camden, they’re not sure what to make of it, or even if it’s a good thing. Of this much they’re certain: Work First New Jersey has made their jobs harder, as the state has put pressure on them to get people off the rolls. “There’s not much difference in the stress levels now between those serving the poor and the poor themselves,” says Clement Carney, deputy director of the Camden County Board of Social Services, who later adds, “It’s like we have a gun on us. The state is telling us, ‘You have too many people on the dole; you get them off.’”

The board’s payroll has dropped along with its clients. It once employed 800 people; today that’s down to about 600. “The truth of the matter is that we are no different from clients,” says Carney, whose sharp edge and animated face convey a sincere concern about the program. “They want to get rid of the clients and those who are serving them.”

Overall, opinions of the reform expressed in the conference room range from dismissive vitriol to cautious optimism. All but one of the officials like the emphasis on responsibility and the program’s increased flexibility. Frank Ambrose, who supervises case managers, thinks the caseload reduction is a sign of success. Sandra Mayers, who administers the board’s income maintenance programs, disagrees. The 37-year social service veteran decries the reform as “mean-spirited.”
and slams a state-made video heralding its success as “a fucking P.R. piece-of-shit lie.”

“Cash grants are down,” says Carney. “I can’t tell you if that’s good or not. I really don’t know what happened to all these families. I think yeah, there’s been economic advantage and a lot of people did move out, but whether they are in self-sufficient, career-opportunity jobs or whether they are doubled up in housing, I don’t know yet.”

Why is it so hard to find out where former welfare recipients have landed? Part of the reason is that once people leave the system, the government no longer tracks them. If people are working, you might expect to see evidence of it in the community—more entrepreneurial activity, small industry, shops, and the like. But it’s hard to find any of that. “I don’t know what the impact on the city would be,” says Frank Ambrose, who notes, “You don’t see building. You don’t see any new companies coming in.”

Most national studies of women who’ve left welfare show that upward of 60 percent of them are working. In New Jersey, Mathematica Policy Research found that 56 percent of former welfare clients in its statewide sample were employed. But no one knows for sure if these figures apply to Camden.

They do know, however, why people are leaving: Welfare isn’t worth the hassle. “We put pressure on the recipients to do something,” says Ambrose, who thinks the program is getting people to work. “Prior to this we had job training programs, but people weren’t put under pressure. We weren’t very threatening.”

**Hitting the Floor Smiling**

Ted Goertzel, a sociologist at Rutgers University’s Camden campus, started studying welfare recipients in 1992, when the first wave of reform hit New Jersey. Since then, he has conducted a series of focus groups with welfare clients. In the early 1990s, Goertzel says, the assumption among welfare recipients was that the system would always be there, that it was a force of nature. “I would try to raise the question about what would you like to do for a career, for work,” says Goertzel.

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“And it was like talking to kids in grade school. Work was something that was very far off, unrealistic, maybe they’d like to work with children, be a physician. It was nothing practical, nothing that would happen in the short term.”

Today, Goertzel finds meaningful short-term planning. “They realize that they are going to have to find jobs, that they have to find some way to support themselves, that they can’t rely on the welfare system as a permanent security blanket,” says Goertzel. “That idea has gotten across.”

Polls and individual experience support Goertzel’s focus-group findings. The Mathematica survey found that more than 80 percent of Work First clients know that welfare benefits are limited and that they must work to continue to receive them. Six in 10 said the law’s time limits affected their decisions, prompting them to try harder to find and keep jobs or seek out training to get them off welfare. Even a study by Legal Services of New Jersey that doesn’t mask the authors’ disdain for the new system concedes that it has made clients understand that they must work.

Welfare veteran Deborah Keys was hassled off the system. I catch up with her a week later at Camden’s Housing Authority office, where she has just ended a workday spent remodeling a public housing unit. The 46-year-old Keys decided welfare wasn’t worth it when her caseworker told her she would have to go to school or get a job to keep receiving her grant. Keys protested that she wasn’t going to work for free. Her caseworker retorted that she wasn’t going to get her check. “I said, ‘I’ll find a job somewhere, somebody will give me a job,’” recalls Keys. “I’m not going to go somewhere and work for free just for that little bit of money.”

Keys first went on welfare in 1971. She was 17 and had just
given birth to the first of five children. The Camden native had already dropped out of school, which she found boring, and needed a way to support her baby. She has held many jobs since then, working as a nurse’s aide, department store clerk, and cashier. But the jobs always ended, and she always ended up back on the system, which is where she was when Work First New Jersey became law.

At first, Keys enrolled in a job training program run by the local housing authority and a nonprofit. It was a 13-week course in construction skills taught by an official from the local carpentry union. The promise was that the union would pick up the newly trained individuals. Keys says that didn’t happen. “We just get one lie after another,” she says. “Not one of us has been picked up.”

The housing authority, however, hired Keys to rehab units for $9 an hour. Now she says she’s better off both financially and emotionally for it. Keys emphasizes that she’s not knock-ing welfare: It was there when she needed it, and for many people, she says, especially older women with health problems, it’s still necessary. But she feels better about hers-when she’s working. She’s proud of the example she sets for her children, the youngest now 14. She likes to buy her groceries with cash, rather than food stamps, or “foodies,” as they are known in Camden.

Key’s finances have improved. Her last welfare payout was $322 a month. Now her take-home pay is $268 a week. Money is still tight, and she says she struggles at times, especially around Christmas. She is still not saving—she is using any extra money to pay down credit cards and other debts. And she is not entirely off the system. A diabetic, she’ll be on Medicaid for at least another year, or for as long as they allow it. After that, she figures she’ll have to pay her doctor herself.

Keys has ambitious plans for the future. The week before we meet, she has filed papers to start a construction company, Aames Construction LLC, in a partnership with an established local contractor. She is optimistic this venture will work, even though she has already started and buried one company, Keys Construction LLC, due to problems with her partner.

“I love it,” she says, her paint-speckled face lighting up when she’s asked about her job. “I wake up and hit the floor smiling every morning. Even when I have problems I smile.”

Hurdles Ahead

Federal lawmakers set some specific goals in their 1996 welfare reform bill. They set out to “end the dependence of needy parents on government benefits by promoting job preparation, work and marriage”; “reduce the incidence of out of wedlock pregnancies”; and “encourage the formation of and maintenance of two-parent families.” To achieve these ends, the new system must not only move current welfare recipients like Keys into permanent work but also prevent the next generation from signing up. Childless women must remain so until they are fully able to support a family through work. Women with children must refrain from having more until they can do likewise.

Keys represents a successful aspect of the new system. But whether the new system is a complete success—in New Jersey and elsewhere—depends on the story of someone who wasn’t smiling much on that March morning at Nancy’s Rest Home.

At 17, Tiffany Washington has been groomed since birth to take her place in the cycle of poverty. Raised on welfare and in public housing, she was shuttled between her grandmother, mother, and aunt.

“I love it,” says one former welfare recipient when she’s asked about her job. “I wake up and hit the floor smiling every morning. Even when I have problems I smile.”

“When I needed my mom, she wasn’t there,” she says. “She was in jail, incarcerated, drugs and everything. I don’t have a dad.” Tears start to roll out of her eyes and over her young cheeks.

In late April, Tiffany gave birth to a 10-pound boy, Rasheen Tyree Fisher. She has big plans for him and herself—plans that don’t include welfare. “I don’t want it,” she says. “I see what my mom went through and what others went through. It’s better for me to get a job.” She’s finishing her junior year at Camden High via homeschooling. Last summer, she planned to put Rasheen in day care and get a job before returning to Camden High to complete her senior year. After that, it’s on to Camden College, where she wants to study to be a nurse. She hopes to get married someday.

Tiffany is a former track star who tripped on a common hurdle for young women in Camden: teen pregnancy. Now she must get up and go on. If, by erecting barriers to welfare dependence, the system pushes her to achieve even half of her goals, the reforms will be a success.

But Tiffany still has a long way to run.

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