

CHAPTER 10

## Contemporary Approaches to Enduring Challenges

### *Using Performance Measures to Promote Racial Equality under TANF*

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The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) allows states considerable discretion in developing their Temporary Assistance for Needy Families (TANF) programs. Although national TANF caseloads have decreased dramatically, recent studies suggest racial disparities exist in caseload declines, case management services, and employment outcomes. This chapter first provides a historical context, outlining the importance of race in welfare administration and discussing why this context is an important factor in contemporary welfare policy. In doing so, it highlights the lack of national attention to the role of case management and labor market discrimination in explaining differences in employment outcomes among welfare recipients. Second, it identifies five key areas in TANF policy that are important in examining the contemporary relationship between race and welfare. Finally, it discusses the common approach of using performance measures to identify, assess, and encourage social policy goals. It proposes an extension of the contemporary application of performance measures in welfare services to include specific racial dimensions.

### The Historical Importance of Race in Welfare Administration

Around 1910, states began to provide public assistance in categorical programs for particular types of needy people.<sup>1</sup> These programs, called Mother's Pension programs, were intended for children whose fathers were deceased. The mothers who received a Mother's Pension grant were regarded as prestigious. To be judged capable of living up to such standards not only differentiated them from the mass of paupers, but set them apart from the totality of mothers (Bell 1965, 13).

The state and the mother entered into a partnership in which both parties assumed certain responsibilities directed toward ensuring that a small group of needy children would remain in their own homes and be supervised and educated so as to become assets, not liabilities to a democratic society (Bell 1965, 5). The state would grant sufficient financial support to enable mothers to maintain "suitable homes" as determined by welfare administrators in local social service agencies. Home inspections, as well as character evaluations from neighbors, clergy, former employees, and relatives were routine (Bell 1965, 8).

Local discretion was the norm in mothers' pensions programs in all states. State supervision existed only in a small number of states in which there was state financial participation. Each local agency developed its own policies, practices, and mechanisms or programmatic accountability. Opportunities existed for discrimination in the consideration of applications within a state and even within a single county. Local workers infused policy terms with meaning, and in doing so, they tended to restrict the programs to white widows and move separately, but in concert, to protect their young programs from black and/or unmarried mothers who might attract criticism (Bell 1965, 19).

The Department of Labor conducted the only systematic study of the racial composition of mothers' pensions in 1931. This report contained information on approximately half of the aided families across the nation. Of 46,597 families, 96 percent of them were white, 3 percent were black, and 1 percent were of "other racial extraction" (U.S. Department of Labor 1933). African Americans were simply not eligible at the same rates as whites. Almost half of the African American families aided were reported by counties in two states, Ohio and Pennsylvania. The reports by the other states indicated that few, if any blacks received benefits.

In examining race, the Department of Labor noted,

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Comparison of the percentage of Negro families in the total population of counties reporting race, with the percentage of the families aided that were Negro, shows that provisions for Negro families was limited in a number of States. The disproportion between probable need and provision is even greater when the lower income level of Negro families is taken into consideration. (U.S. Department of Labor 1933, 13)

Additionally, limited provision for African American families was particularly obvious in areas in which 19 to 45 percent of the families were African American. The most common tactic states employed was to avoid establishing Mother's Aid programs in localities with a large African American population.

*The New Deal Era*

The structure of the Social Security Act of 1935, which contained the Aid to Dependent Children (ADC) or "welfare" component, changed the dynamics of program administration. It shifted the emphasis from state-local relations to federal-state relations. The act stipulated that states had to provide a single agency to administer public assistance programs and allowed for federal supervision of state programs. But the federal supervision was quite general, allowing states and localities broad discretion in program administration. The guidelines included a broad definition of eligible children, general minimum level for stipends, and minimum qualifications for administrators and investigators (Gordon 1994, 274). Most importantly, the model state law distributed by the Social Security Board encouraged reliance on the "suitable home" requirements encoded in most state mothers' pension statutes. This model state law read, "any dependent child who is living in a suitable family home" will be eligible (Gordon 1994, 274). This subjectivity of recipients to a morals test made ADC a unique federal welfare policy in that state and local discretion were the central determinants of eligibility determination.

Most black people, still trapped during the 1930s at the socioeconomic bottom of the South, were excluded from or severely disadvantaged within America's original social programs (Weir, Orloff, and Skocpol 1988, 20). In order for the New Deal to become a reality, President Franklin D. Roosevelt needed cooperation from the southern coalition, which controlled both the House Ways and Means and the Senate Finance committees in Congress. To accommodate this southern bloc, Roosevelt and northern Democrats agreed to proposals of federal welfare

legislation that continued state welfare discretion, especially in regard to eligibility determination (Quadagno 1988, 239). Southern leaders insisted that states retain the right to establish eligibility criteria and to decide who received benefits. They wanted to maintain “local labor conditions,” which meant keeping black laborers in low-paying domestic and agricultural jobs. The great leeway left to the states in the legislation of the 1930s ensured that racist interests would control welfare coverage, benefit levels, and methods of administration in large stretches of the nation, and especially in the South, where the vast majority of blacks lived at the time in poverty and political disenfranchisement (Skocpol 1995b, 164). As Gary Delgado (2000, 2) summarizes, “In the 1930s, of course, it didn’t occur to anyone that women of *color* might claim a right to welfare benefits. AFDC was intended to support the *deserving* poor (read: white and married) mothers and their children, albeit at a benefit level ensuring that they remained in dire, if genteel, poverty.”

Many southern states passed additional eligibility criteria targeted directly at black women. During the late 1930s and 1940s, states created seasonal employment policies that cut ADC recipients off the welfare rolls during cotton-picking season (Quadagno 1998, 117). Southern states typically could “see no reason why the employable Negro mother should not continue her usually sketchy seasonal labor (Gordon 1994, 274). Many southern states required ADC mothers to take jobs whenever available, kicking them off the rolls under the institutional “farm policy.”

The accepted rationalization by ADC administrators was that blacks “could get by” with less than whites. This discriminatory administrative interpretation resulted in striking differences in benefit distribution. In the nation’s capital city, social workers had two standard budgets for relief benefits, a higher one for whites and a lower one for blacks (Green 1967, 223).

In 1941, there were three times as many families receiving Aid to Dependent Children in the United States as there were in 1933. This fact illuminates the dramatic impact that public assistance had upon state and local welfare agencies (Leahy 1941, 3). With the additional federal resources available to the states, all localities in states with approved plans participated in ADC and other social welfare programs. From October 1939 to January 1940, for example, the total monthly expenditures in the Virginia Program of Aid to Dependent Children expanded by approximately 50 percent (Commonwealth of Virginia 1940, 8).

As state reporting became more systematic, national reports of the 1940s and 50s began to document the disproportionate exclusion of black

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children. In 1941, the Federal Bureau of Public Assistance reviewed the ADC program in six states. They noted that “these policies were subject to a wide range of interpretation, and despite years of agency experience in dealing with families, ‘suitability of the home’ and ‘fitness’ of the parent were still indefinable” (Bell 1965, 40). In reviewing this type of eligibility decision the Bureau concluded that the emphasis was placed according to the importance attached to certain subjective standards by the community, the agency, and the individual worker. With no uniform guidelines in place, states and localities tended to fall back on the “normal” tests of legitimacy: status and color (Bell 1965, 41).

In 1942, the Bureau of Public Assistance studied 16 state programs. The most significant finding was the wide divergence in state attitudes toward assisting nonwhite and illegitimate children. No eligibility condition explicitly excluded them, but where the “suitable home” philosophy prevailed, their exclusion was endemic (Bell 1965, 41). As one such report indicated:

the number of Negro cases is few due to the unanimous feeling on the part of the staff and board that there are more work opportunities for Negro women and to their intense desire not to interfere with local labor conditions. The attitude that “they have always gotten along,” and that “all they’ll do is have more children” is definite. (Bell 1965, 34–35)

Finally, the federal government had to provide leadership for its own program. In 1947, the federal government tightened requirements for states. It became mandatory for state agencies to provide that (1) no person would be refused the opportunity to apply for any categorical program, (2) the application process would be carried out promptly and efficiently, (3) each applicant would be assured the right to a determination of his eligibility, and (4) assistance would be paid to each eligible applicant (U.S. Department of Health, Education and Welfare 1947). Federal administrators fell short of forbidding the use of “suitable home” provisions. Instead they merely recommended that states repeal the suitable home eligibility provisions. This kept the discretionary door open to state and local agencies, which allowed discrimination to continue.

Despite the continued use of state and local discriminatory tactics, federal administrative changes began steering states toward more equitable program access. The strides toward a more democratic administration meant that black and illegitimate children were becoming increasingly prominent in the caseload, even in southern states. The states

responded by explicitly defining illegitimacy as a “black” problem and by reframing their analysis to question the usefulness of tax-supported welfare programs. States redefined welfare as a set of governmental handouts to barely deserving people who might be trying to avoid honest employment. During the late 1940s and throughout the 1950s, state administrators and politicians began to reframe ADC from a benefit for deserving mothers to a handout for lazy poor people of questionable morals.

The ADC issue became politically compelling in part because opponents of aid to black unwed mothers suggested a direct association between the sexual behavior of these women and the money it cost the (white) taxpaying public (Solinger 1992, 42). As white unwed mothers were portrayed as a threat to the moral integrity of the family, black unwed mothers were often construed as an economic threat to the same white family. The money to pay for the consequences of their sexual behavior came out of the white family’s wallet, some politicians argued, and seriously undermined its economic security (Solinger 1992, 42).

The most persistent charge against ADC was that these benefits were incentives for black women to have illegitimate children (Solinger 1992, 42). As “reproductive citizens,” black unmarried mothers became the concern of taxpayers, politicians, and social service professionals worried about rising welfare expenditures and their ever-escalating costs (Solinger 1992, 49).

According to some analysts, the causes of illegitimate children among black and white women were very different.

[W]hite girls were the products of complex, cultural patterns, refined community and gender mores, and traditional family structures. Aberrations within any of these entities, particularly the last, could cause psychiatric problems, such as unwed pregnancies. Black girls, on the other hand, were, according to this view, products of no such higher-order structures. Their behavior, in contrast to whites, was unmediated, natural, biological. (Solinger 1992, 43)

The number of black illegitimate children receiving ADC benefits was actually quite small. Of an estimated 2.5 million surviving children registered as illegitimate at birth from 1940 through 1957, 1 million were white and 1.5 million nonwhite. “It appears that the nonwhite population is supporting and caring for as many as 1.2 million illegitimate children without public assistance funds. On the other hand, [only] 200,000 white

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illegitimate children apparently are supported from sources other than aid to dependent children (U.S. Department of Health, Education and Welfare 1947, 36). This evidence suggests that illegitimacy rates were indeed higher among black women but that these women did not proportionally receive ADC benefits.

In late 1958, estimates made for 32 states indicated that the percentage of illegitimate children receiving assistance varied from 2 percent to 25 percent. An analysis of southern states is particularly revealing. In these states where per capita income was low, economic differences among races were profound, and a high proportion of the black population was in poverty, very few illegitimate children were receiving ADC benefits.

Defining “suitability of the home” in terms of illegitimate pregnancies was a very useful method of excluding a disproportionate share of black children. One of the primary reasons for the continued low rates of black and illegitimate children receiving ADC benefits was the states’ continued use of “suitable” home restrictions. Despite the recommendations of the federal government, the 1950s witnessed an increase in state laws relating to suitable home provisions. Between 1952 and 1960 formal suitable home requirements were strengthened or adopted in Georgia, Mississippi, Virginia, Michigan, Arkansas, Texas, Florida, Tennessee, and Louisiana. The state policies differed substantially in their impact on families, but each in its own way helped to control the growth of the caseload and the increase in public welfare costs. In Virginia, as in many other southern states, ADC could be denied without making alternative arrangements for a needy family (Bell 1965, 178).

Nationally, dramatic changes on the political front began to occur in the late 1950s that paved the way for major policy changes in the 1960s. Racial tensions flared at the surge of the civil rights movement. The Democratic party courted black political participation in the North. Federal courts and welfare rights activists began to think differently about welfare. Civil rights activists claimed that welfare rights were no different from the right to vote or the right to ride public transportation systems. The implementation of ADC as an elitist policy for the few was no longer acceptable. All poor mothers and children deserved equal access to welfare benefits. But black and morally problematic recipients would not be so readily placed in a program designed to provide long-term support. These “new arrivals” to the welfare system meant that welfare was now in crisis and that work expectations would be clearly defined for members in this new conception of public assistance.

*Civil Rights and the Great Society*

During the 1960s, equal rights in social policies were one of many outcomes desired by integrationists. Government intervention for civil rights meant that the struggle for equal opportunity came to permeate issues of social policy (Quadagno 1994, 195). Especially in southern states, there was a direct relationship between civil rights activism and eligibility for welfare policies. African Americans who engaged in civil rights activities or who tried to register to vote were systematically excluded from welfare. During voter registration campaigns, county officials cut African Americans off the welfare rolls, suspended benefits, and warned that they would restore benefits when blacks “surrendered their uppity ideas about changing the local balance of power” (Quadagno 1994, 129).

Many southern states strengthened their already subjective suitable home provisions. Louisiana enacted a law stating that “no assistance shall be granted to a child living with its mother if the mother has had an illegitimate child after receiving assistance.” Louisiana’s attorney general ruled that the law was to be retroactive. An analysis of Louisiana’s 1960 policy changes indicated that 95 percent of the children affected by their new provisions were black. About 30 percent of these black children were legitimate by any definition of the term (Bell 1965, 138). In less than 1 percent of the cases, financial assistance was discontinued due to evidence of neglect, abuse, or exploitation. Tensions began to mount. Southern states, with steadfast opposition to civil rights at any level, continued to strengthen “suitable home” provisions, even as the civil rights movement gained momentum. The federal government received increasing pressure from civil rights advocates to respond.

On January 17, 1961, the secretary of Health, Education and Welfare, Arthur F. Fleming, issued a statement regarding a new federal “suitable home” ruling to which states must conform if they wished to receive federal matching funds to aid needy children.

Effective July 1, 1961, a state plan . . . may not impose an eligibility condition that would deny assistance with respect to a needy child on the basis that the home conditions in which the child lives are unsuitable, while the child continues to reside in that home. . . . It is of great importance that state agencies should be concerned about the effects on children of the environment in which they are living and that services be provided which will be directed toward affording the children maximum

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protection and strengthening of family life. . . . It is completely inconsistent, however, to declare a home unsuitable for a child to receive assistance and at the same time permit him to remain in the same home exposed to the same environment. (Bell 1965, 147)

The Civil Rights Act of 1964 was designed to have an impact on racial discrimination by state and local agencies. Under Title VI, Section 601, “No person in the United States, shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.” Civil rights legislation in general and the Fleming rule, in particular, made it clear that states would have to eliminate a major discriminatory practice in determining benefit eligibility. But the states were slow to comply.

In 1968, the Supreme Court’s ruling in *King v. Smith* supported the path outlined by the Fleming rule. *King v. Smith* involved a recipient’s challenge to an Alabama regulation that denied AFDC eligibility to any family in which the mother had “frequent or continuing” sexual relations with an “able-bodied” male. The plaintiff was a black mother of four children who earned a weekly salary of \$16 as a waitress in Selma, Alabama. Her supplementary welfare benefits were discontinued after it was alleged that she consorted with a man who could provide parental support, thus making her children ineligible. The state accomplished this goal by defining any regular male sexual partner of the mother as a “substitute father” regardless of whether he actually provided any financial support for the family or had any legal obligation to do so. The family would become ineligible for assistance because the children were not deprived of “parental support.”

The Court struck down the Alabama regulation and held that the state could not alter the federal statutory definition of parent to include a “substitute father.” The Court also rejected the state’s attempt to justify the regulation as a legitimate measure to combat the “immorality” of mothers of needy children. The Court held that termination of assistance to a family due to “immorality” was inconsistent with the “paramount” goal of AFDC, the protection of dependent children. The Court found that the Fleming rule prohibited states from combating a mother’s immorality in ways that led to the denial of support for needy, dependent children. The Court’s decision in *King v. Smith* sent an even stronger message to the states. The decision affected 18 states and the District of Columbia, all of which had some version of the “man in the house” rule.

In policy terms, this meant more black women and illegitimate children would qualify to receive public assistance.

Black women took an active role in confronting the racially embedded institutional structures. They formed the National Welfare Rights Organization (NWRO), a grassroots organization designed to ensure that black welfare recipients received the same benefits as white. Dr. George A. Wiley, who also opened the Poverty/Rights Action Center (PRAC) in Washington, D.C., provided the organizing vehicle for NWRO. Participating groups ranged from Mothers of Watts to Mothers for Adequate Welfare in Boston to Chicago's Welfare Union of the West Side Organization. By 1969, NWRO claimed more than 100,000 dues-paying members in some 350 local groups (Piven and Cloward 1971, 323). In the South, welfare leaders' homes were subject to gunfire and torchings. But the group continued to press for justice. One of their largest demonstrations was mounted in conjunction with the Poor People's Campaign.

On May 12, 1968, George Wiley and Coretta King, widow of Dr. Martin Luther King Jr., led more than 5,000 welfare recipients on a "Mother's Day" march in Washington, D.C. (Piven and Cloward 1971, 323). In 1969, 1,000 recipients and university students took over Wisconsin's legislative chamber to protest a cutback in welfare appropriations (Piven and Cloward 1971, 323). They demanded the same benefit levels and educational opportunities advocated under the Great Society programs.

There is no real way to measure separately the impact of the Fleming rule, the Supreme Court decision, and work by NWRO on access to welfare benefits. Attorneys and welfare rights organizers in the South estimated that tens of thousands of families were denied aid under discriminatory state and locally administered provisions (Piven and Cloward 1971, 309).

With the Great Society programs of the 1960s, the federal government's role in social welfare continued to grow. The main achievements of this period were to expand employment, reduce poverty, and improve opportunities for "nonwhite" citizens. During this time, the Johnson administration recognized that many low-income people might not benefit economically from more equal rights or employment opportunities. Johnson concluded that their skills were too limited to compete in the job market, even if the economy were booming. The new Great Society programming was designed to compensate for those deficiencies. But many of these programs, though passed at the federal level in the 1960s, were not "up and running" at the state and local level until the 1970s.

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By the end of the “benefits access” storm of the 1960s, two facts were apparent. First, state discriminatory tactics that kept black and illegitimate children from receiving benefits were largely eliminated. The federal government strongly denounced such practices, and the states had to comply with federal standards in order to continue receiving federal assistance. Racial discrimination in access to benefits had been largely dismantled. Its successor was much more subtle. It revolved around disparities in education, services, and training provided by local agencies.

Second, during this same time, public support for these programs declined. As a result of mass protest, litigation, and new services—all focusing on welfare rights—local welfare agencies were confronted with an unprecedented volume of applications and unprecedented pressures to approve the granting of benefits. This welfare explosion produced “exceptional stories of welfare recipients driving luxury cars and using Food Stamps to purchase filet mignon and of women bearing children solely to obtain added AFDC benefits,” stories “gullibly accepted by the public as the norm” (Cottingham and Ellwood 1989, 12). The image invoked by white Mother’s Pension programs with mothers needing long-term public support to stay home with their children had been replaced by an image of black, lazy, mothers having more and more illegitimate children to stay at home and avoid personal responsibility. Welfare support was to be tolerated, not advocated.

### Contemporary Welfare Policy and Race

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminated AFDC as an entitlement and created a block grant for states to provide time-limited cash assistance for needy families. These state programs are funded under the Temporary Assistance for Needy Families (TANF) program. States may use their TANF funding in any manner “reasonably calculated to accomplish the purposes of TANF” (U.S. Department of Health and Human Services, TANF legislation). States have broad discretion to determine eligibility, method of assistance, and benefit levels. The discretionary setting of TANF is very different from that of AFDC because (1) the Department of Health and Human Services must determine that a state’s plan is legally complete, but does not otherwise have authority to approve or disapprove a plan and (2) it is not clear whether there is any consequence if a state fails to follow its plan (Greenberg and Savner 1996).

Based on the historical relationship between race and welfare in the United States, several areas of TANF policy are particularly relevant and should be systematically evaluated to ascertain racial bias. These areas include:

1. Client diversion
2. Case management including client assessment; access to training, community work experiences, and education; availability of support services such as child care and transportation assistance; and the issuance of sanctions
3. Labor market opportunities and earnings
4. Time limits
5. Lack of uniformity in political subdivisions.

*Client Diversion.* Before a client can receive services, she must first make it through the front door. A key component of TANF policy is to “divert” potential TANF applicants by identifying their specific needs and assisting through other mechanisms, such as services available through other governmental agencies and community and faith-based organizations. Are minority requests for assistance more likely to be diverted than similar requests from whites?

*Client Management.* Case management is a key component of any welfare reform plan. An analysis of clients’ experiences with their case managers facilitates better understanding of the nature of a program’s “treatment” in practice. Case managers become agents of the policymakers and give a program model its concrete meaning. They operationalize their relationship between the client and the program by applying, in specific situation, legislative and regulatory directions about who must participate; in what activities they should participate, and what support services they should receive (Doolittle and Riccio 1992). How case managers complete these tasks will have a great effect on the program outcomes experienced by their clients. In delivering policy, public service workers or “street-level bureaucrats” have substantial discretion in their work. They are entrusted to make decisions about people that affect their life chances (Lipsky 1980). In this case, these chances involve the likelihood of self-sufficiency (Gooden 1998a).

There are four key areas in TANF where examining racial differences in case management is critical. These areas include client assessment;

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access to training and education; availability of support services such as child-care and transportation assistance; and the issuance of sanctions. Client assessment is a core function designed to assess a client's skills and identify barriers to self-sufficiency such as developmental delays, domestic violence, and substance abuse. To what extent are minority and white clients assessed similarly and to what extent are they assessed differently? Are assessment tools applied on a race-neutral basis? For example, are African Americans assessed as frequently for domestic violence as whites? Are whites assessed for substance abuse as frequently as African Americans? The identification of barriers should be preceded by examining them with a race-neutral lens.

TANF stresses immediate job placement or "Work First." Especially during the early implementation of TANF, education and training support was very limited. Although it is well documented that earnings are positively correlated with increased education, if TANF caseworkers are implementing the program similarly across racial groups, then all groups should be encouraged to pursue immediate employment. A research study that examined the promotion of education by caseworkers among black and white clients in two Virginia counties found 41 percent of white clients reported their caseworker continued to promote education, compared to none of the black clients (Gooden 1998a, 28).

The same study also examined the degree to which caseworkers provided assistance to clients in securing child-care and transportation assistance—two key factors in a client's attempt to attain employment and job retention. Most respondents in the Virginia study expressed that they needed minimal assistance from social services in finding child-care. Only 12 percent of the white respondents and 14 percent of the black respondents sought such assistance. Among both groups, clients evaluated the caseworkers as helpful in providing a list of child-care providers and child-care options for their children (Gooden 1998a, 28). Over 66 percent of the respondents (68 percent of African Americans and 65 percent of whites) indicated that they had transportation barriers. These barriers included lack of a driver's license, vehicle, or gas resources. Although all of the respondents reported that caseworkers provided them with gas vouchers to assist with transportation, there were differences in the levels of discretionary transportation assistance afforded to each group. Forty-seven percent of the white respondents reported that their caseworker expressed a willingness to provide additional transportation assistance including helping them obtain a driver's license, a vehicle or vehicle repairs. None of the African American respondents reported any offers of

transportation assistance aside from the standard issuance of gas vouchers. Clearly, client supports are a key aspect in promoting employment and economic self sufficiency. Do minority and white clients receive similar levels of support?

Under TANF, caseworkers may issue a financial sanction for welfare clients who do not comply with program rules and work activities without good cause. Deciding whether to issue a sanction or to excuse non-participation based on good cause is an area of caseworker discretion. A study of five panhandle counties in Florida found blacks were much more likely to be sanctioned for noncompliance than their white counterparts (61 percent versus 48.4 percent) (Clarke, Jarmon, and Langley 1999, 130). Are sanctions and good causes issued in a race-neutral manner?

*Labor Market Opportunities and Earnings.* The PRWORA does not directly consider the role of labor market discrimination as affecting employment outcomes for minority welfare clients, thus presenting an important welfare policy paradox: A clear expectation of employment for welfare clients coexists with well-documented labor market discrimination against racial minorities.

It is clear from past and contemporary research that the U.S. labor market is discriminatory (Turner, Fix, and Stuyk 1991; Wilson 1996; Fix and Turner 1999) and that racial discrimination is a major cause of poverty among racial minorities, especially African Americans (Blalock 1967; Blauner 1972; Dowdall 1974; Glenn 1966; Jones 1972; Siegel 1965). What is less clear is how this discrimination systematically or uniquely affects minority welfare recipients as they attempt to secure, retain, and advance in their employment. Specifically, how does labor market discrimination impact the ability to meet the employment goals of TANF for minority welfare clients? And how do factors such as geographical location, industry type, percentage of minority-owned businesses, and employer size affect the degree to which labor market discrimination is a barrier to employment?

PRWORA does not consider the role of labor market discrimination in the written guidelines of TANF, despite policy consideration of other labor market conditions. For example, TANF guidelines allow a state to exempt additional clients from participation if the state experiences a high unemployment rate. The reasoning is that high unemployment rates systematically reduce opportunities for employment, thus limiting a state or locality's ability to meet the employment goals of TANF. How is the role of labor market discrimination different? Attempting to minimize

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the impact of labor market discrimination is an obvious factor that can contribute to whether a minority welfare client achieves employment success, both over the short and long terms. Hence, the noticeable absence of labor market discrimination in the national welfare policy discussion defies logical reasoning.

Even among working former recipients of welfare, racial differences occur. Clarke, Jarmon, and Langley (1999) found a 35 percent differential in postwelfare poverty figures, with white respondents reporting a mean income of \$10,403, compared to \$6,736 for blacks (122). When examining employer demand for welfare recipients in four urban cities, Holzer and Stoll (2000) found that “relative to their white counterparts, black and Hispanic welfare recipients are less likely to be hired in suburban and/or smaller establishments, and for blacks, in the retail trade industries” (26).

There are a few studies that suggest favorable outcomes for minorities under TANF. Studies in Arizona, Georgia, and Ohio suggest that the percentages of blacks who are employed exceed the percentages of whites who are employed and even report somewhat higher quarterly earnings (Savner 2000). Holzer and Stoll (2000) also report employer demand for all racial groups of welfare recipients is somewhat higher in minority-owned businesses and that contact with the relevant local agencies is associated with substantial increases in demand for white and black recipients when initiated by agencies and especially for Hispanics when initiated by firms (35).

*Time Limits.* Under PRWORA, a state is prohibited from using federal TANF funds to provide assistance to a family who has received federal TANF assistance for 60 months. However, states may provide hardship exceptions for up to 20 percent of the average monthly number of families receiving TANF assistance (Greenberg and Savner 1996). States determine the criteria for a hardship exemption. What will be the racial composition of these exempted populations? Will these determinations include a racial bias?

*Lack of Uniformity in Political Subdivisions.* Although state plans must include outlines of how the state intends to conduct a program designed to serve all political subdivisions in the state, this plan does not have to operate in a uniform manner. As the devolution of welfare reform moves from the state to the local level, will there be key programmatic differences between those operating in counties with a high minority welfare caseload and counties with mostly white welfare recipients? For example,

will there be differences in the promotion of education at the agency level?

*Lack of Rigorous Evaluation Requirements.* Current evaluation standards of PRWORA do not require evaluation of racial disparities or bias. The Department of Health and Human Services (HHS) conducts research on the benefits, effects, and costs of operating different state programs funded under TANF, including time limits relating to eligibility for assistance. HHS can also assist states in developing their evaluation plans, but these evaluation plans are largely state-directed. Will state evaluation plans examine racial disparities in services and outcomes? Why would a state self-select to hold itself accountable along goals of racial equality and fairness? Are their data systems being developed to support such an analysis?

As with any policy, the values of PRWORA are best learned through the actual language of the legislation. Three years after the passage of PRWORA, the Health and Human Services Office for Civil Rights issued guidance on civil rights laws and welfare reform “to help states and other public entities comply with federal civil rights laws as they implement their welfare reform programs and create new programs” (U.S. Department of Health and Human Services 1999). Federal laws<sup>2</sup> prohibiting discrimination in federally funded programs and activities on the basis of race, color, national origin, sex, disability, and age have applied to the TANF program since its inception (U.S. Department of Health and Human Services 1999). By law, welfare programs may not exclude, deny, or impose different standards or procedures in benefit determination on the basis of race, color, national origin, disability, age, or sex. Moreover, “a welfare office may not refuse to provide translated written materials to applicants when a significant proportion are limited English proficient” (U.S. Department of Health and Human Services 1999, 2). However, a study of the Hmong population in Wisconsin found that 67 percent could not communicate with their caseworkers and 87 percent could not read the welfare program’s materials (Moore and Selkove 1999, ii).

Civil rights legislation is a necessary, but not sufficient, component to promote equality of access to welfare services, supports, and employment opportunities. The U.S. social policy record suggests that achieving such equality will need concerted attention. The implementation of performance measures may offer hope in promoting racial equality at the street level.

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The Role of Performance Measures in Welfare Reform

Through measurement, organizations give accountability for their results. Performance measures can consist of an ongoing activity that indicates how well an organization or unit is progressing toward strategic objectives and can impact funding decisions (Berman 1998, 51). Performance measures are routinely used to measure key aspects of a program in quantifiable goals, focus on the achievement of specific program goals, and ensure that federal and state program standards and goals are being met.

Many public, private, and nonprofit welfare service providers operate under contracts that reward the attainment of specific outcomes. A National Governors' Association (1997) survey of 37 states found that 20 were establishing performance standards for their entire workforce development systems. These measures typically include specific criteria for employment at high wages, employment with health benefits, or job retention (Meyer et al. 1997; Gooden 1998a, 1998b). For example, a contract may specify a minimum job-placement hourly wage or issue graduated payments at higher placement wages.

Performance measures are also a beneficial tool in ensuring that welfare clients receive appropriate services in a timely fashion. Under TANF, welfare recipients face time-limited assistance, thereby making it imperative for welfare agencies to use their time efficiently and effectively in servicing welfare clients. Providing specific performance measures provides agencies with financial incentives to secure quality jobs and supportive services for their clients.

Table 10.1 provides an illustration of a common use of performance measures in TANF policies. A set of appropriate performance goals are identified, specific measures are selected to measure the goals, data are collected to measure program performance, and the information is used to evaluate program performance.

The use of performance measures in welfare reform is not limited to state and local agencies. The 1996 PRWORA provisions award \$200 million in annual bonuses to high-performing states. The first round of awards rewards states for annual results in four categories: job placement, job success (measured by retention and earnings gains), biggest improvement in job placement, and biggest improvement in job success (U.S. Department of Health and Human Services 2000a, 1). States can also qualify for increased funding base on having demonstrated a net decrease in out-of-wedlock births, without an increase in abortions.

Under many existing TANF performance contracts, targeted populations, such as the “hard to serve” or populations with multiple barriers are identified to avoid creaming (meeting performance goals by placing those who are easier to serve into employment, and underserving the harder cases). I offer a racial extension to the existing targeted approach.

*Enhancing Performance Measures to include Racial Equality*

Performance measures can be used in a similar fashion to address racial and ethnic disparities in employment levels and case management services. The use of specific performance measures offers a concrete way to monitor racial outcomes of the 1996 welfare reform legislation. Section VII B of the TANF regulations specifies that TANF-funded programs are subject to laws relating to nondiscrimination. Such measures can provide an assessment of how the programs’ performance goals are being met within various racial/ethnic subgroups of the welfare population. This also encourages welfare service providers to provide active case management and employment promotion for all of their welfare clients, and forces agencies to develop innovative strategies to minimize the impacts of labor market discrimination.

**TABLE 10.1. Example Performance Measures in TANF Programs**

Criterion	Minimum Level	Bonus Level
Employment	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
Wages	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above
Health insurance	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
Job retention	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
Educational activities	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities
Educational advancement	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED

*Race and the Politics of Welfare Reform*

Table 10.2 adds a racial component to the earlier example of performance measures. It measures performance outcomes by racial subgroup, thereby providing specific agency attention to minimizing the impact of racial disparities in supportive services and labor market discrimination in employment. Each state or local agency can modify the measures based on their standard performance measures and the racial and ethnic groups represented on their caseload.

The table also yields baseline data on how racial subgroups are faring in their search for employment under time-limited TANF assistance. For each locality, this could assist in identifying racial or ethnic subgroups that are experiencing more difficulty in navigating the labor market, and force service providers to develop innovative strategies to ensure that each welfare client under TANF has an opportunity for employment success.

**TABLE 10.2. Racially Enhanced Performance Measures in TANF Programs**

Criterion	Minimum Level	Bonus Level
<b>Employment</b>		
African Americans	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
Native American	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
Asians	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
Hispanics	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
Whites	35% of welfare clients must have obtained a job	40% of welfare clients must have obtained a job
<b>Wages</b>		
African Americans	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above
Native American	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above
Asians	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above
Hispanics	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above
Whites	20% of welfare clients must have obtained a job at \$8.50 per hour or above	25% of welfare clients must have obtained a job at \$8.50 per hour or above

**TABLE 10.2. Continued**

Criterion	Minimum Level	Bonus Level
<b>Health Insurance</b>		
African Americans	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
Native American	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
Asians	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
Hispanics	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
Whites	30% of employed clients have health insurance available through their job	40% of employed clients have health insurance available through their job
<b>Job Retention</b>		
African Americans	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
Native American	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
Asians	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
Hispanics	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
Whites	75% of employed clients are still employed after 30 days; 50% are still employed after 90 days	85% of employed clients are still employed after 30 days; 60% are still employed after 90 days
<b>Educational Activities</b>		
African Americans	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities
Native American	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities

*(continues)*

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**TABLE 10.2. Continued**

Criterion	Minimum Level	Bonus Level
Asians	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities
Hispanics	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities
Whites	75% of welfare clients without a high school education are in educational activities	85% of welfare clients without a high school education are in educational activities
<b>Educational Advancement</b>		
African Americans	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED
Native American	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED
Asians	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED
Hispanics	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED
Whites	20% of welfare clients without a high school education complete their GED	30% of welfare clients without a high school education complete their GED

*Fulfilling Work Opportunity*

Contemporary welfare reform is built on the premise of work first, with the expectation that employment is the primary vehicle to move a poor family out of poverty. Much research focuses on individual factors contributing to long-term welfare dependency such as teenage pregnancy, intergenerational welfare dependency, family formation, and the lack of minority business development, but the role of institutional racial barriers does not receive similar consideration.

The TANF block grant is the centerpiece of the Personal Responsibil-

ity and *Work Opportunity* Reconciliation Act of 1996 (emphasis added). Much attention has been given to the personal responsibility portion, including the requirement of signed client personal responsibility agreements, monitoring of program compliance, documenting client use of services, and issuing financial sanctions for noncompliance. The work opportunity language deserves similar attention, especially for racial and ethnic minority groups who have historically competed, and are presently competing, in a discriminatory labor market.

Early opponents of TANF concede that welfare reform has not produced the detrimental results forecasted. Even in its worst light, it has provided the support for some welfare recipients to move into the labor market and begin the slow process toward economic self-sufficiency. These goals should be consistently advanced for all racial and ethnic subgroups and performance measures may help in achieving this goal.

Performance measures are not without fault. Certain desired outcomes are not quantifiable, data reporting must be carefully monitored, and outcomes must be accurately measured. Yet they can be helpful in identifying, diagnosing, and improving program productivity. In a policy area involving race, employment, and welfare, it is difficult to sort out with a reasonable degree of certainty the impact of individual motivation and work ethic versus the impact of case management and labor market discrimination, especially across multiple local conditions. The scales are typically tilted toward measuring motivation and work ethic. Perhaps it is time to rigorously examine the impact of agency case management practices and labor market discrimination.

#### NOTES

1. This section of the chapter is adapted from Gooden 1995.
2. Including Title IX of the Education Amendments of 1972, Title VII of the Civil Rights Act of 1964 (Title VII), the Age Discrimination in Employment Act (ADEA), the antidiscrimination provision of the Immigration Reform and Control Act of 1986 (IRCA), and the Equal Pay Act (EPA).