

Well, it probably was better to do it during the upside of the business cycle than the downside, obviously; but the fact that the economy is good does not mean that all these people are getting jobs. In fact, large fractions of them aren't, and most of them are remaining poor, and many of them are poorer than they were before.

It did show up at the national level in one number. Once a year, they put the national poverty and income data out from the Current Population Survey. That's where the national poverty rate comes from, and the national median income. The latest out is 1997. They don't have 1998 out yet, that will come out in the fall. In 1997, you started to see the effect of this. The poverty rate went down in 1997, and the President had a press conference to take credit for it, and everybody was happy. The median income went up also for the country. But, although the poverty rate went down, they also measure it at different levels of poverty, one of which is 50% of poverty, that is, people who make only half of the poverty level. The 50% poverty rate went up in 1997.

EIR: We covered that at the time.

Zeller: That was the first indication at the national level that this was actually showing up in a national number. Even though the business cycle was favorable, the number of very poor people was also simultaneously going up. That was the direct result of the welfare cuts.

EIR: Very interesting. There's the joke going around that they're creating hundreds of new jobs. I know, because I have three of them.

Zeller: Actually, the people who were on welfare, a lot of them were working all along. In Ohio, a welfare benefit is \$362 a month for a family of three. That's the average family. That's \$4,344 a year. Well, how do you live with two children on \$4,344 a year?

EIR: In Texas and Louisiana, it's around \$190 a month.

Zeller: Yes, some of the Southern states are even lower than Ohio, but as Northern states go, we're near or at the bottom. Somebody who was on welfare was already very poor in Ohio. So, the fact is, a lot of these people, at least part of the year, or part time, were working as well, because you couldn't live on what a welfare benefit was. Now that they have lost their benefits, it's even more urgent that they do so. But, surprisingly, large fractions don't hold a job at all, and they are therefore just worse off and have moved into these larger households.

EIR: Do you track the numbers of people who use charitable food and shelter?

Zeller: I'm familiar with the efforts that we try to do. The trouble is, most of that is run by voluntary associations: churches, the Hunger Network, the food bank people. It's very heavily volunteer-operated, and therefore they don't feel

a compulsion to keep statistics that are aggregatable across the state, unfortunately. Although, there are people who do it. The anecdotal reports we're getting, or what statistics we do get out of the network, are showing that there's an increased demand at the food banks.

Tony Hall, who's the Congressman from Dayton, is well known as a hunger advocate, has been for a long time, not just in the U.S., but foreign countries also. He did a tour with some of the Ohio Congressmen about a year ago, where they went to a few food pantries and food banks in the Columbus-Dayton area. I talked at one of the events they had at Dayton, so I talked with Tony, and he told me that they went to some little town that was in Bob Ney's district, he's the Congressman from Appalachian Ohio. When they got there—this is just a little town with 2,000 people or something—and there was an enormous line of people out in front of this pantry, several hundred people standing in the wintertime, and Ney was astonished. He didn't realize this was going on in his district.

The trouble is that documenting all that is difficult. There is no national data collection on the number of people going into food pantries and so forth.

Mississippi: 'reform' where there's no work

by Marianna Wertz

Mississippi is probably the best example of what "welfare reform" will look like when the speculative bubble now parasitizing the U.S. economy, bursts. With an official 10% unemployment rate, and upwards of 18% in such Delta areas as Sharkey County, welfare reform in Mississippi has been "less a work incentive than a welfare disincentive program," according to the Communications Workers of America Local 3570/Mississippi Alliance of State Employees, the union representing employees who work in the welfare system. The "bottom line" is that there are very few jobs for welfare recipients being forced to work, even with the state subsidizing \$4.15 out of the \$5.15 minimum wage employers are required to pay, and the vast majority of welfare recipients are simply being left on the human scrap heap. Since 80% of the caseload are African-Americans, the role that endemic racism plays in the difficulty of finding work is also quite real.

The state began its welfare reform policy in the fall of 1995, operating a trial program called WorkFirst in six counties. Rims Barber, head of the Mississippi Human Services Agenda, a non-profit advocacy group for the poor, put together a study of data from the Mississippi WorkFirst experiment's first nine months (October 1995-June 1996), which

TABLE 1

Workfare in Mississippi

Category	Number of cases	% of caseload
Caseload for six counties	12,011	100%
Selected for WorkFirst	5,152	42.9%
Got regular jobs/kept	264	2.2%
Placed in subsidized jobs/kept	125	1.0%
Not placed in anything	3,970	33.1%
Sanctioned	478	4.0%

indicated that a mere 1% of those who applied for welfare at the inception of the program were actually placed in jobs and kept them (see **Table 1**).

As Barber told *EIR*, the reality is that 1) there are insufficient jobs, even of the low-paying variety, and 2) most of those on welfare are not job-ready, lacking the necessary skills and training, which is not provided for in either state or Federal legislation.

Mississippi WorkFirst involves a two-step process for welfare clients. When they first apply, they are sent to the Employment Security Commission (the unemployment office), to see if they can get a job. Failing that, they fill out an application for welfare.

About half the people who failed to find employment are selected out for WorkFirst, and the others simply receive their welfare checks, functioning as a sort of control group. However, as the 1996 data show, of the 42.9% selected for WorkFirst, only 3.2% got jobs and kept them.

Two years later, in January-March 1998, Jackson-based Millsaps College conducted an evaluation of the program, interviewing 351 former Temporary Assistance for Needy Families (TANF, the Federal welfare program) clients in eight counties, six months after they had left the program. Barber analyzed these data and gave *EIR* his observations, noting that nearly two-thirds of the former clients were unemployed. Here are his findings:

A look at the WorkFirst results

- Assuming that the primary goal of the TANF program is to help clients gain employment that will increase their earnings and enable them to leave TANF because their income is too high to continue to qualify for the program, only 42 (13%) satisfied that goal. The majority left because they did not fulfill program requirements.

- Assuming that the secondary goal is to force people out of the program so that they will become desperate enough to get work on their own, this strategy worked for only 81 people who found and kept work during this six-month period (and of these, only 54 were working fulltime).

- Another 62 persons were able to find temporary jobs,

but did not work continuously throughout the six-month period. After six months, nearly two-thirds of the former clients (228) were unemployed, and 166 never were able to find jobs.

- Only 49 of these working families got vouchers to help with their needs for child care. Most families who worked patched together some form of child care from among their family and friends (without any help from the Department of Human Services [DHS]).

- The study found a high correlation between employment and having a driver's license or owning a car, but failed to discover how many persons received transportation assistance from DHS.

- Only 35 persons had private health insurance for their children, and only 44% of the children maintained Medicaid eligibility (although almost all of the children should have remained technically eligible). The study mistakenly assumed that some 32% had their health care needs taken care of at the Health Department, but the Health Department does not treat sick children.

- Only 58% of the families are still on food stamps, although most should technically remain eligible due to their need.

- Only 18% of the children received some child support.

'Slavery'

Mississippi State Rep. Jim Evans (D-Hinds County), who is also AFL-CIO State Field Director for Mississippi, discussed the welfare crisis in the state in a 1997 interview with *EIR*, a year after the welfare "reform" program began.

Evans said, "Just the word 'fair' associated with that is a tragedy. The editor of one of the newspapers described it on the front page as the only thing worse than the Black Codes that were put in place to control women during slavery. It's sending women back to slavery. It's telling them that they must work on a job—and they take their food stamps and AFDC [Aid to Families with Dependent Children] and other benefits and give them to the employer, and the employer gives them another dollar. They're trapped on a job where they can't quit. They have no rights, no voices, no grievance procedures, no nothing. They pay them minimum wage where they can't even make a living. Then they can't go back on the program, even if their children and families are in need.

"It's a horrible, shameful piece of legislation that came out of Washington, D.C. In my lifetime, I don't ever remember a piece of legislation that shameful. It's purely political, with no substance, no way to work. The folks who put it together knew it wouldn't work. But they knew they would get people off the welfare rolls, because they'd either die or give up or just get lost. What's happened in Mississippi, I'm sure that people are leaving the rolls, but they can't find 5% of them who got a job. They're falling through the cracks and falling under the floor, and dying in degradation or living in degradation."