

Mayors warn of social crisis because of 'welfare reform'

by Carl Osgood

On Nov. 21, Philadelphia Mayor Ed Rendell warned that most cities in the United States will not be able to meet the job requirements set out in the 1996 welfare reform law, because of "a serious lack of available jobs in many cities." Rendell was in Washington, D.C. to present a 34-city survey conducted by the U.S. Conference of Mayors, titled "Implementing Welfare Reform in America's Cities," which requested information from cities on the impact of welfare reform.

The job shortfalls reported in the survey amount to nearly 10,000 in Boston, 75,000 in Detroit, almost 6,800 in New Orleans, 53,500 in Philadelphia, almost 10,000 in St. Paul, Minnesota, more than 28,500 in Seattle, and more than 6,700 in St. Louis. These figures, as Rendell pointed out, don't include the number of unemployed who were not previously on welfare, but are also competing for the same jobs. In Philadelphia, this is another 100,000 people, and they have to be added to the 66,000 welfare recipients, all of whom will be competing for around 20,000 low-skill, low-wage jobs over the next two years.

Millions left without subsistence

"What that basically means," Rendell warned, is that "by the summer of 1999 [when welfare benefits expire for millions of people], for the first time since the Depression there will be large numbers of Americans, within American cities and, I would suggest, in rural areas as well, without any subsistence at all—without any cash payment, without any food stamps, without any subsistence at all. We can't let that happen."

One of the problems related to the shortfall in jobs is the distribution and types of jobs available. Rendell made clear that most of the available jobs for which welfare recipients are qualified are not located in the inner cities, where most such people live. Rather, these low-wage service jobs are located in the more affluent suburbs outside the cities, but public transportation systems are not oriented toward those types of commuters; so, welfare recipients who manage to get jobs end up commuting up to four hours per day (Rendell estimated that only 5-10% of welfare recipients own cars), which not only is costly in dollar terms, but also complicates child-care arrangements, since a significant portion of welfare recipients are young, single mothers. The cities also reported

insufficient funds available to cover child-care expenses.

The impact of the general economic collapse is also evident in the Mayors' report. Detroit, for instance, with one of the largest job deficits in the nation, reports that there simply is no money available, as Federal, state, and local governments are all cash-strapped.

Rendell called on the Congress to provide a \$12 billion jobs program, and said that the \$3 billion in the fiscal year 1998 budget reconciliation bill is "a start, but insufficient." It provides \$60 million for the city of Philadelphia, but that amount will only provide training and other services to 8,000 people. Rendell said that doing away with the welfare system the right way, requires spending much more money up front. But, "the problem with this Congress," he said, "is they want to do everything on the cheap. If we're truly going to end welfare as we know it, we have to spend money up-front. It can't be budget balancing."

Documentation

The United States Conference of Mayors' November 1997 report, "Implementing Welfare Reform in America's Cities," is broken down into six sections: Jobs, Child Care, Immigrant Assistance, Assisted Housing, City Implementation Issues, and State Welfare Reform Process. We report here the lead findings under each section.

The 34 cities involved in the survey include: Abilene, Alexandria, Baltimore, Boston, Charleston, Charlotte, Chicago, Denver, Detroit, East Orange, Fort Wayne, Gary, Kansas City, Knoxville, Laredo, Little Rock, Los Angeles, Louisville, Nashville, New Orleans, Norfolk, North Little Rock, Philadelphia, Phoenix, Portland, Rockford, Salt Lake City, San Antonio, San Francisco, Santa Monica, Seattle, St. Louis, St. Paul, and Virginia Beach.

Jobs

- Ninety-two percent of the survey cities able to provide jobs data report that they will not have a sufficient number of low-skill jobs to allow compliance with the welfare law's

work participation requirements.

- Officials in the survey cities were asked to rate their ability to create community service jobs in both the public and non-profit sectors on a scale of one (poor) to five (most positive). Their rating was 3.5. When asked in what fields such jobs might be located, the fields officials most often identified were: child care, school improvement, health care, clerical-office work, recreation, city departments, food industry, elderly care, and public housing.

- Officials in the survey cities estimated that an average of only 27% of low-skill jobs in their cities provide private health insurance.

- All of the survey cities said local employers were willing to hire welfare recipients.

- Eighty-four percent of the survey cities responded that the availability of transportation to work for TANF (Temporary Assistance for Needy Families) and food stamp recipients was a problem. Seventy-four percent of the cities said that they had a plan or a program to provide transportation to work for recipients.

Child care

- Seventy-one percent of the survey cities reported that the state reimbursement rate does not cover the average, current cost of care for full-day, center-based child care. Sixty-two percent of the survey cities reported that the state reimbursement rate does not cover the average, current cost of care for full-day, home-based child care.

- Twenty-nine percent of the survey cities said they anticipate that children who are not receiving child-care subsidies would be displaced from child care.

Legal immigrants

- Twelve survey cities track immigrant status during intake for emergency service.

- Officials in 75% of these cities said requests for emergency food assistance from legal immigrants have increased in the first half of 1997, by an average of 11% across all of the responding cities.

- Officials in 42% of these cities reported that requests for emergency shelter have increased in the first half of 1997, by an average of 64% across all of the responding cities. The number of requests stayed the same in the remainder of the responding cities.

- Ninety-two percent of the survey cities said that the average wait to become a naturalized citizen in their city has increased; it now averages 13.5 months.

- Sixty-four percent of the cities responded that their city government has a program to assist naturalization efforts.

- Forty-eight percent of the cities said there is a waiting list for naturalization/citizenship classes, and in all these cities the wait has increased. In 57% of the cities there is a wait for English as a second language classes, and that wait has increased in 69% of these cities.

Assisted housing

- All of the survey cities save one expect that the changes in the welfare system will have a negative impact on assisted housing. Problems most frequently cited include increased demand, competition for housing between the working poor and transitional welfare recipients, and lost revenue for housing authorities.

City implementation

- Eighty-one percent of the survey cities said requests for food assistance increased in the first half of 1997. Officials estimate an average increase of 17% across the survey cities. Forty-one percent of the cities which reported an increase in requests for food said that the change was due mostly to welfare reform, and another 39% said that welfare reform was equal to other factors as a cause of change.

- Sixty percent of the survey cities said requests for emergency shelter increased in the first half of 1997. The number of requests stayed the same in 30% of the responding cities. Shelter requests increased by an average of 12% across the survey cities.

Fifteen percent of the cities which reported an increase in shelter requests said the change was due mostly to welfare reform, and 46% said that welfare reform was equal in influence to other factors.

- Fifty-two percent of the survey cities reported that they are planning new initiatives to provide emergency assistance to former TANF and/or food stamp recipients. Half of the survey cities responded that agencies are adding beds for homeless persons.

- The survey cities reported that, as a result of welfare reform, they are having to reassess the way funds are being spent to deliver services in the following programs:

Child Care Development Fund: 63% of the survey cities;

Community Services Block Grant: 63% of the survey cities;

McKinney Homeless Assistance Programs: 68% of the survey cities;

Community Development Block Grant: 58% of the survey cities; and

Federal Nutrition Programs: 32% of the survey cities.

State welfare reform process

- On a scale of one to five, survey cities rated their interaction with the state agencies during the TANF planning process just above the mid-point, at 2.7. Sixty-two percent of these cities reported that they were consulted by their state's welfare agencies in this process.

- On a scale of one to five, survey cities rated their interaction with the state legislature during the Temporary Assistance for Needy Families approval process just below the mid-point, at 2.4. Forty-eight percent of the survey cities reported that they were consulted by their state legislature during this process.